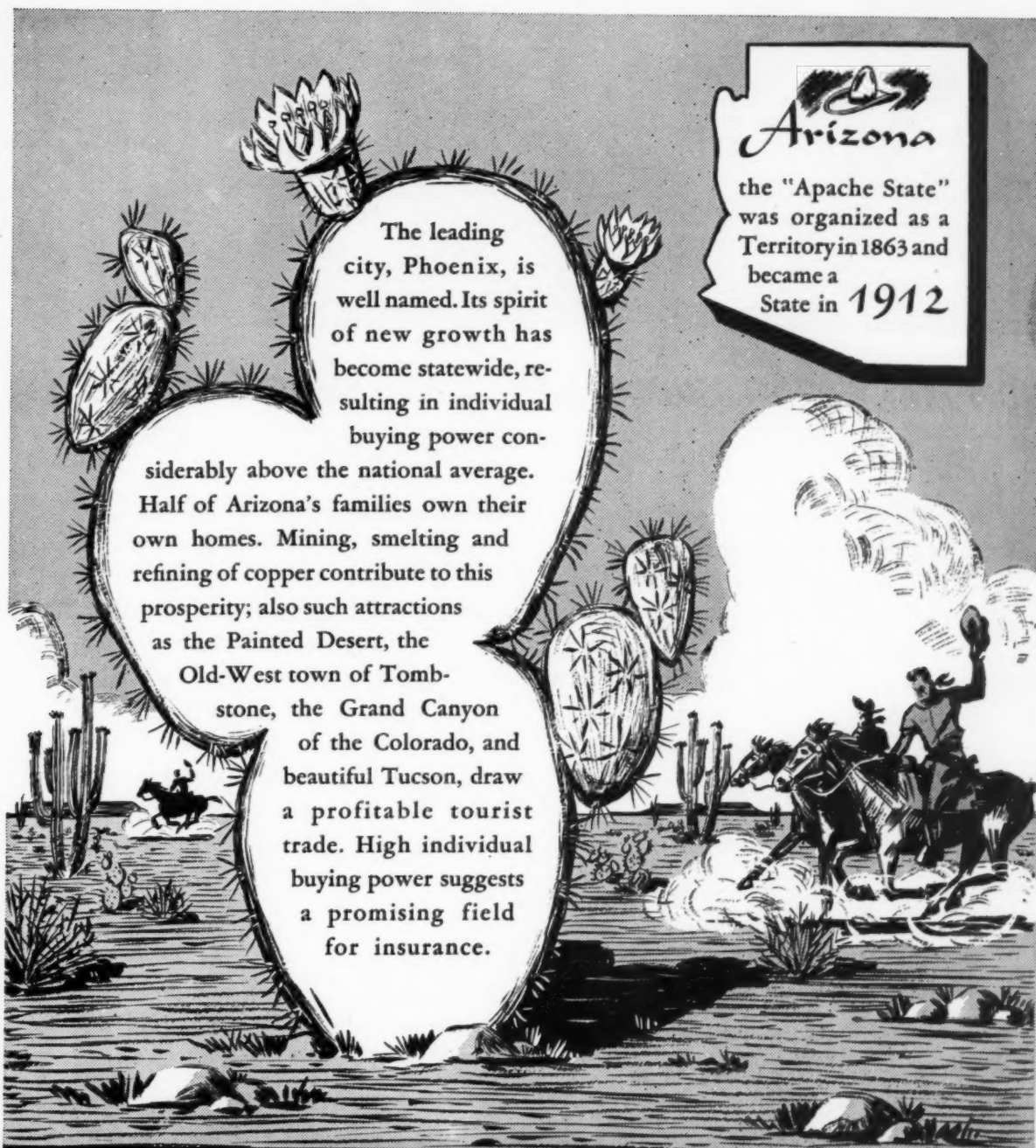


The NATIONAL UNDERWRITER



The leading city, Phoenix, is well named. Its spirit of new growth has become statewide, resulting in individual buying power con-

siderably above the national average. Half of Arizona's families own their own homes. Mining, smelting and refining of copper contribute to this prosperity; also such attractions as the Painted Desert, the Old-West town of Tombstone, the Grand Canyon of the Colorado, and beautiful Tucson, draw a profitable tourist trade. High individual buying power suggests a promising field for insurance.

Arizona

the "Apache State" was organized as a Territory in 1863 and became a State in 1912



CRUM & FORSTER

MANAGERS

110 WILLIAM STREET • NEW YORK, N. Y.

United States Fire Insurance Co.

The North River Insurance Co.

Westchester Fire Insurance Co.

The Allemannia Fire Insurance Co. of Pittsburgh

Organized 1824

Organized 1822

Organized 1837

Organized 1868

Richmond Insurance Co.

Western Assurance Co., U. S. Branch

British America Assurance Co., U. S. Branch

Southern Fire Insurance Co., Durham, N. C.

Organized 1836

Incorporated 1851

Incorporated 1833

Incorporated 1923

WESTERN DEPT., FREEPORT, ILL. • PACIFIC DEPT., SAN FRANCISCO • SOUTHERN DEPT., ATLANTA • ALLEGHENY DEPT., PITTSBURGH • CAROLINAS DEPT., DURHAM, N. C.

THURSDAY, AUGUST 23, 1945



HOW MANY PROFESSIONAL MEN... AND SERVICE BUSINESSES ... ARE YOUR CLIENTS?

The sweetest insurance agency business of them all is one made up of a large number of medium-sized accounts, all of which more than pay their way, and none of which are so complex and demanding as to turn your hair white with worry.

Most professional men and women and service businesses need more insurance than the average individual home owner, but are just as easy to sell and serve. The majority of them earn good incomes, will readily buy what insurance they need, and pay for it promptly.

This month the Security Insurance Companies give their



agents a selling plan to help get more of this good and lasting business. One feature is a prospect check-list which, together with a telephone book or city directory, makes building a prospect list easy. Then there's a line check-list to help in analyzing these risks. A letter is suggested which will particularly appeal to these prospects because it talks their language. And there's a poster for window or wall that will attract valuable prospects.

This service is but one of many given by a wide-awake, up-to-date, technically topnotch, multiple-line group.

Security Insurance Companies

SECURITY INSURANCE COMPANY OF NEW HAVEN
THE EAST & WEST INSURANCE COMPANY OF NEW HAVEN
NEW HAVEN UNDERWRITERS
THE CONNECTICUT INDEMNITY COMPANY
1841 — SECURITY, THE NATION'S WATCHWORD — 1945



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N.A.I.A. Directors Meeting Set for Chicago, Oct. 21-24

**Attendance to Be Held
to 150—Edgewater Beach
Headquarters**

The meeting of the national board of state directors of the National Association of Insurance Agents, confining attendance to the limits set by ODT, will be held at the Edgewater Beach Hotel, Chicago, Oct. 21-24 in lieu of an annual meeting or convention.

This action to defer plans for the 1945 annual meeting originally scheduled for Sept. 21 at St. Louis and to substitute a meeting of the board was approved by the executive committee meeting in New York June 27. To hold attendance to the new ODT limit of 150 the Chicago meeting will be restricted to members of the board, the executive committee, one or two other state association officials and a few members of the N.A.I.A. staff.

At some time during the sessions, the state directors and other delegates present will assemble as members in annual meeting for the election of officers and the transaction of other affairs within the jurisdiction of the membership. Such a meeting will conform to the provisions of the constitution on elections requiring attendance of 50 members from at least 15 states and the disposition of other official business.

Buyers Study Affiliation: Leslie to Speak Sept. 18

The question of whether the Midwest Insurance Buyers' Association should affiliate with the Risk Research Institute of New York as a section of a national organization was discussed at a meeting of several directors and a few members of the Chicago group at a meeting there. Nothing definite was decided. A special meeting of the entire membership will be called, probably some time in September, to discuss the matter thoroughly.

W. W. Clement, manager of the institute, was on hand to explain some of the benefits of national affiliation and to answer questions. He indicated the Minneapolis Insurance Buyers' organization already had agreed to become affiliated. Mr. Clement is visiting with buyers in Pittsburgh and Philadelphia to see if they wish to form sections of the institute in those centers, and in the near future will call on buyers at St. Louis, Kansas City, and on the Pacific Coast for the same purpose.

William Leslie, manager of the National Bureau of Casualty & Surety Underwriters, will discuss rate regulation at the first regular meeting of the midwest buyers Sept. 18.

To Amend Tax Suit Petitions

OKLAHOMA CITY—At a district court hearing foreign companies were granted a demurrer and given 30 days to amend their petitions in the suit in which they are asking refund of taxes collected under the 4% premium tax law upon the ground that it discriminated against foreign in favor of domestic companies.

Eye Reaction of War Risks to Economic Somersault

In this hour of economic somersaults fire insurance underwriters are starting to make a penetrating analysis of various risks that might be expected to run into adversity with the end of war operations.

Some of the companies have maintained what might be called war files. Into these pockets have gone records not only of risks engaged in direct war operations, but also those whose fortunes have been closely linked to war-time conditions. For instance, into that file may have gone notations as to stores that sprang up in the neighborhood of war plants and that have drawn their trade exclusively from such plants. Manufacturers of ersatz or junk civilian goods such as paper and cardboard toys, may be in the files.

No Panic Developing

As a matter-of-fact, many underwriters are more apprehensive about certain types of risks one or two steps removed from actual war production than they are of the actual war plants. However, there is no inclination on the part of the underwriters to become panicky and to strike off every risk that at this time is threatened with adversity. Investigations including inspection reports, will be made of many risks whose immediate future is uncertain. Particular attention will be given to the character of the ownership and the whole situation will be weighed with deliberation. It is not expected that if there is to be a wave of postwar moral hazard losses this will materialize in short order. Rather it is likely to come when and if various unscrupulous assured have experienced hard times and apprehend that the market for buildings, stock and machinery may decline.

Those who are trying to guess what will happen in the way of losses in the postwar era are possessed with misgivings because many of the predictions as to what would happen during the war period did not materialize. For instance, a great fear when the war started was that U. & O. losses would be particularly costly because of the priorities and yet this did not prove to be a problem of major importance. Some feel that if there is to be any unusual type of loss arising in the postwar period it is likely to be something that is entirely unforeseen. The fact is cited, for instance, that no one prior to the war expected that the most conspicuous type of loss during the war would be bowling alleys.

There have been some predictions that we are in for a period of labor disturbances at this time and that, from the underwriting standpoint, riot and civil commotion lines are touch and go and that from the agents' standpoint they are lines to sell.

Wilson on U. S. Chamber Group

WASHINGTON—The U. S. Chamber of Commerce has added the name of W. Owen Wilson of Richmond to the insurance department committee. This gives stock agents two representatives on the committee, the other being Guy Warfield, Jr., Baltimore. Mr. Wilson is a past president of the National Association of Insurance Agents and of the Richmond Chamber of Commerce. It is understood the chamber asked N.A.I.A. to suggest two candidates to represent agents on the committee. The names of both Warfield and Wilson were submitted. The original committee list contained the former's name.

Rebuilding of Organization Is Jigsaw Puzzle

The task of rebuilding an insurance organization, now that the war is over, has many aspects of a jigsaw puzzle. The employer may not be certain whether particular men now in uniform intend to return to their insurance desks or if it is known that a man does plan to resume his insurance occupation, it is not known when he will be discharged. Insurance offices are holding places open for their men that are in service and hence they don't know to what extent they should go in trying to hire new personnel. They may or may not have to find new places for those who have been serving as replacements during the war years.

Salary Question Is Difficult

The salary question is puzzling. It is certain that the salary level will become stabilized at a point above the prewar figure, but just how much higher the market has become is difficult to judge. A good many men that have been in war jobs, particularly engineers, have been getting perhaps twice as much as they got before the war in insurance work. These men naturally have not adjusted themselves to the idea of re-entering the insurance field for less than what they have been getting. There will undoubtedly have to be a lot of shopping around and bargaining before postwar insurance salary grooves become recognized and established. In other fields, it is reported, men who have returned from military life, have become indignant that they were put back on the payroll for the same amount they were getting when they left.

Insurance offices during the war period have had a lot of experience with clerical employees and have adjusted themselves to the idea of paying more for this service, but in the more responsible positions there has not been much new employment. Insurance organizations have gotten along as best they could with what was left to them. They have hired a good many older men and others of somewhat marginal abilities who have not been insistent in their salary demands. Now, however, the companies must replenish their organizations with young men who are ambitious, who have had a taste of blood in war work, who have been army and navy officers and are anxious to get started immediately at as high a salary level as possible.

Losses Up 4% in July; 8% for Year

NEW YORK—Fire losses in July are estimated at \$34,054,000, an increase of \$1,348,000 or 4% over losses in July, 1944, by the National Board. Last month's losses were the highest recorded for any July since 1930 when they totaled \$34,847,000.

Losses in the 12 months ended with July 31, 1945, are estimated at \$444,225,000 as compared with \$411,466,000 for the year ending with July 31, 1944. For the first seven months of 1945 the losses are \$267,445,000, an increase of 8.1% over the same period in 1944.

Comparative losses by months follow:

	1943	1944	1945
Jan.	\$ 27,733,000	\$ 38,572,000	\$ 44,865,000
Feb.	33,175,000	38,280,000	41,467,000
March	39,214,000	39,084,000	40,876,000
April	34,241,000	34,746,000	37,950,000
May	29,297,000	32,815,000	34,153,000
June	26,854,000	30,555,000	34,090,000
July	25,016,000	32,706,000	34,054,000
Tot.	\$215,530,000	\$246,758,000	\$267,445,000

Grand Nest Meeting on at Minneapolis

**Membership Stands at
New High; Linnell
Makes Recommendations**

MINNEAPOLIS—The annual grand nest meeting of the Blue Goose got under way here with a meeting of the officers Monday morning. Tuesday was given over to registration, golf and sight-seeing and the members turned their attention to business Wednesday. The meeting continued through Thursday and will conclude Friday morning with a meeting of the new officers.

Despite termination of the war and



THOMAS G. LINNELL

the partial lifting of travel and convention restrictions, the gathering was held to a streamlined affair with less than 50 authorized delegates. However, the elimination of gasoline rationing resulted in a number of members driving to Minneapolis from the surrounding territory.

A handsomely printed program, illustrated with Minnesota pictures, kept the



E. J. Beauvais



R. A. Kenzel

delegates and members apprised of the day to day proceedings.

A golf tournament at the White Bear Yacht Club Tuesday afternoon was followed by a cocktail party at the Nicollet hotel for ganders and their ladies.

The meeting Wednesday morning opened with a flag ceremony in charge

(CONTINUED ON PAGE 10)

Outlines Wash. Code Revision

Deputy Tells What Department Plans to Include in Measure

Revision of Washington's insurance code was discussed by Robert D. Williams, deputy commissioner, at the annual meeting of the Washington Association of Insurance Agents in Seattle. The revision will seek to bring the present code, passed in 1911 up to date, to meet the issues presented by the S.E.U.A. Supreme Court decision and public law 15, and to bring in new ideas to reflect progress that has been made in the business. The department will start drafting the code next Jan. 1 and later on will hold hearings.

The code will be improved as to fire rate making and rate bureau operations, and provisions will be made for rate supervision in all other fields where practical and where necessary to permit the making of rates based on collective experience of companies without exposing them to federal charges of collusion and price fixing. As much as possible, he said, the code would be made uniform with those of other states.

The code should permit multiple line underwriting, which will mean a drastic reorganization of the present 15 classifications of insurance, he said. The state must establish financial standards to be met by companies empowered to write multiple lines and devise sensible combinations for smaller companies.

In revising the code, Mr. Williams said, there will be an attempt made to define inland marine so as to determine better when a thing is or is not a proper subject for coverage under that form and to establish rate supervision to the extent made necessary by the S.E.U.A. decision.

One of the most extensive studies being conducted in connection with code revision has to do with accident and health insurance. The department gets and helps settle more disputes arising out of such contracts than all other forms of insurance put together. There has been going on for some time throughout the country a three cornered race between the companies, the policyholders and the courts to fix the measure of what is given in an accident and health policy. Competition has tended in many cases to drive the premium down and inflate the purports of the contract, he said. Some of the old standard provisions need revision.

The National Association of Insurance Commissioners' model law with respect to mail order insurance will be included in the new code, according to Mr. Williams.

Among other provisions will be establishment of qualifications for independent and public adjusters, a section dealing with reciprocals, bringing organization of new domestic insurers under jurisdiction of the commissioner, adoption of a uniform liquidation and rehabilitation act, and special provisions or exceptions required by aviation insurance.

Ill. Interim Law Study Group Is Appointed

The three members of the house have been named to the Illinois interim commission to study insurance legislation in the light of the S.E.U.A. decision. They are: Harry Topping, local insurance agent of Kankakee; John Gorman, a broker with the George Herrmann & Co., insurance agency of Chicago, and W. B. Westbrook of Harrisburg, a textbook publisher's representative. The three members from the senate were previously announced.

Gov. Green this week named the three men to represent the public on the commission. They are: Paul F. Jones of Danville, former insurance director, and

War's End Confronts Agent Groups with Education Task

NEW YORK—The sudden advent of the postwar era has confronted state agents' associations with an immediate planning job in arranging for insurance courses for returned veterans.

Probably the most complete plans are those of the New York State Association of Local Agents. Its veterans' committee, headed by A. C. Deisseroth of Syracuse, has arranged for a 100-hour course at Syracuse University.

The Louisiana association also has a special veterans' committee and many other states are considering special veterans' courses. There is considerable interest in what the New York association is doing and it may well furnish the pattern for many other states' veterans' education programs.

A considerable part of the attendance at these special courses, and others as well, will doubtless be agents and agency personnel who have been too pressed for time during the wartime manpower shortage to keep up with an educational program, even had one been available. Availability of gasoline will also be a factor in saving time and in permitting agents to reach the places where courses will be given.

North America Recalls Prophetic "Ad" of 1941

North America recalls that in its advertisement that appeared in national magazines in November, 1941, it made statements that were prophetic of the atomic bomb. The advertisement stated that scientists have learned how to develop and control almost unlimited power by splitting the atom of an isotope of the metal uranium (called U-235). "If this newly found power is harnessed for general use, this is what it will mean to you! With a tiny lump of U-235, the size of a pinhead, you will heat your home for two years, or drive your car 200,000 miles! Everyone will enjoy undreamed comforts and luxuries, when U-235 is made cheap and plentiful."

member of the Chicago law firm of Ekern, Meyers & Matthias; Joseph H. Braun, counsel Chicago Motor Club and secretary National Association of Independent Insurers; and Chase M. Smith, counsel for the Kemper group of companies who has represented the American Mutual Alliance frequently before the commissioners. Insurance Director Parkinson of Illinois is chairman of the commission ex-officio.

OCD Fire Equipment to States, Communities

WASHINGTON—Fire ladders and hose, gasoline motor-driven pumps and other equipment which was provided for eight million civilian defense (OCD) volunteers is now available for sale to states, communities, tax-supported institutions, non-profit organizations and other governmental units as permanent additions to fire departments, the Department of Commerce has announced.

The total stock available is valued at \$31 million. The equipment is included in the property to be sold in winding up the affairs of the Office of Civilian Defense which was terminated by executive order June 30 with its property functions being turned over to the Department of Commerce.



A. C. Deisseroth

Lop Off Insurance in War Contract Cancellations

WASHINGTON—Builders' risk insurance is being promptly canceled, maritime commission officials report, in connection with cancellation of \$425 million in contracts covering construction of 135 ships, and three jobs of providing special military equipment for the navy at a cost of \$70 million, included in the above figure. Such cancellations were announced Monday, applying to construction of 35 coastal cargo ships, 42 Victory cargo ships, 24 coastal tankers for lend-lease to Britain, 4 Liberty ships being converted to aircraft repair shops, 8 military type Victories, 8 tankers, 5 military transports, 6 refrigerator ships, and other vessels, —all in some 15 yards.

Ship construction contract cancellations, however, it was said, would not affect casualty insurance applying to these shipyards, unless they close down. In other words, such coverage will apply with relation to other vessels built there. This coverage includes automobile liability and workmen's compensation. Where the maritime commission requires certain insurance to be carried by its contractors in private shipbuilding yards, it will be canceled where construction contracts are canceled; likewise in commission-owned yards where private ship builders are operating.

B. K. Ogden heads the maritime commission insurance setup, which comes under supervision of Percy Chubb, an assistant to Chairman Admiral Land. Officials say they do not expect many more ship construction contracts to be canceled by maritime.

WSA Insurance Continues

War shipping administration insurance, marine and war risk on hull, will continue, officials say while charters remain in effect on vessels time-chartered to WSA. Such insurance will also be continued on vessels in the allied shipping pool. No WSA insurance is being carried on cargo, nor on imports of certain strategic materials and supplies, the latter having been discontinued last month.

War Department officials say that insurance related to war contracts remains in effect until the underlying contract is canceled, and possibly even for a limited time after such cancellation.

At the Navy Department it is stated that insurance under the joint rating plan related to cost-plus-fixed-fee contracts will be canceled as soon as work is completed under contract cancellation orders. This may be work of a clean-up character, or other work, perhaps, directed by the navy's representative on the ground.

When the Navy Department insurance division, headed by Lt. Comdr. S. F. Procopio, receives copies of notices of war contract terminations, it will proceed as regards cancellation of the insurance related to such contracts, depending upon the nature of the business concerned and that covered by the contract.

No problem arises officially, it is explained, as concerns the dropping of insurance coverage related to government lump sum contracts. Contractors in such cases are presumed to have included their insurance coverage in their costs, covered by contract price, and it is up to them to do something about canceling insurance.

While planning to work themselves out of a job, in the dropping of insurance related to war contracts, government insurance officials say they believe the reduction of insurance business as a result of contract cancellations will, most of it, be "absorbed" by companies, brokers and agents returning to the pre-war system of private enterprise in their fields of promotion and sales.

No Claims from Actual Atom Bomb Production

Production of the atomic bomb, most destructive instrument ever devised by man, proved one of the safest war-time risks to have been assumed by American insurance underwriters, according to Travelers.

The company discloses that, as one of its numerous coverages of war projects both on the western hemisphere and overseas, it provided liability claim service on the Hanford Engineer Works, subsidiary of E. I. DuPont De Nemours & Co., which was part of the chain of plants producing the atomic bomb.

According to Travelers, no claims arose from the actual production of atomic energy. Virtually all claims involving personal injury and property damage that came to the company's attention occurred during the construction of the Hanford plant and auxiliary buildings.

60 Subcontractors Covered

The company provided claim service on general liability lines, including personal injury and property damage for the DuPont De Nemours organization and for some 60 subcontractors engaged in construction of the Hanford project. Included in the contract were many concessionaires, such as proprietors of department stores, drug stores, theaters and places of recreation. The service also extended to the firm of Smith, Hoffman & Wright, who built the homes for the plant employees. In addition, the company issued fidelity bonds on a number of the plant employees, its recruiting agents and employees of the Olympic Commissary Co., which assumed the task of feeding thousands of imported workers.

Hanford, site of the plant, was two years ago a small community of approximately 150 residents, located on the Columbia River, 40 miles north of Pasco, in the desert of central Washington. It was a secluded spot, its topography consisting of sandy soil relieved only by sagebrush.

To this site came more than 60,000 workers, recruited from all parts of the nation. Not more than a dozen persons on the scene had the remotest inkling of the nature of the product they had come to Hanford to help manufacture. All persons associated with the project were "screened" by the War Department security office and all signed pledges to secrecy under the espionage act.

Guess on Nature of Job

There were many guesses among the workers concerning the product of their labor, but more of them were of a humorous sort, including the supposition that they were manufacturing gold braid for admirals and brass hats for generals. They knew vaguely, however, that their job was hazardous because in all places of assembly were posted detailed instructions on methods of evacuation "in the event of catastrophe". Furthermore, they had received official notice from Under Secretary of War Patterson that they were performing "a most urgently important work in the war effort".

"No one at Hanford seemed over-curious about the job being done there," says Samuel E. Gray, claim representative of Travelers assigned to the project. "There was more curiosity expressed on the outside than on the inside. In any event, it was probably one of the greatest demonstrations in history of mass cooperation in the keeping of a secret".

Actual construction began in June, 1943, when sub-contractors arrived for building operations. At first Hanford was merely a trailer camp, but within a few months a village to house operations employees had been completed at

(CONTINUED ON PAGE 9)

White Elected Head of Washington Agents Group

Membership Reaches Record High: Proposed Code Is Discussed

SEATTLE—Alfred W. White of the Bowles, White & Brink agency of Seattle was elected president of the Washington Association of Insurance Agents at the annual meeting here. Mr. White, formerly state national director, succeeded Virgil R. Lee of Chehalis, who in turn became state national director.

F. W. Norgard of the W. B. Auda agency of Yakima was elected chair-



VIRGIL R. LEE

man of the executive committee. J. R. Thomas of Z. A. Vane & Co., South Tacoma, is the new secretary-treasurer, and Irwin Mesher, Seattle, was reelected executive secretary. H. H. Martin, Longview, is regional vice-president for western Washington, and E. M. Leonard, Nevers & Leonard agency, Spokane, vice-president for eastern Washington.

Executive Committee

New members of the executive committee are M. F. Maury, Olympia; O. J. Degarimore, Bremerton; Herb Wilson, Everett; Lester Bell, Kelso, and H. D. Lasell, Aberdeen.

The association attained an all-time peak in membership of 374 during the past year, President Lee said in his report. This represented a gain of 50 members.

Mr. Lee stressed the importance of securing enactment of a well-drafted state insurance code in the 1947 legislature. He himself is a veteran member of the Washington legislature, and is serving in the senate at the present time. A code committee, headed by H. P. Sargent, Seattle, and including seven members from key points in the state, is hard at work gathering ideas and suggestions. Mr. Lee laid particular emphasis upon the need for a strong agency qualification law.

Urges Political Activity

He urged companies, company representatives and agents to take an active interest in the next year and a half in selecting candidates for the legislature friendly to the business. There are too many measures affecting the business, which will be presented at the next session of the legislature, for its members to sit idly by and say they are not interested in politics, he declared.

The work of the financed accounts

(CONTINUED ON PAGE 9)

North America Offers to Write Canadian Municipal Risks on Deductible Plan

TORONTO—H. C. Mills, general manager for Canada of North America, announces that this group is prepared to entertain the writing of deductible forms of property insurance in Canada.

Mr. Mills explains that this is the result of public demand emanating from the recent annual conference of the Federation of Mayors & Municipalities, Toronto. Mayor Saunders of Toronto sponsored a plan of deductible contracts in opposition to a self-insurance plan and it was agreed by the mayors that the Canadian Underwriters Association would be approached to see whether contracts, with deductible clauses ranging upwards to \$20,000, would be considered by the tariff companies.

In correspondence with Mr. Mills, Mayor Saunders said the C.U.A. had set forth difficulties that would confront them as related to the development of rates and has raised the question of insurance to value and the possibility of other difficulties, "all of which indicate to the writer a reluctance to definitely accept and recognize the principle of issuing deductible coverages as related to such properties and thereby meet public demand."

Mills Tells Stand

Mr. Mills replied that North America is "prepared to entertain the writing of property insurance on any sound basis that would be in public interest, specifically including deductible forms as related to certain classes of risks in Canada embracing municipal properties."

"We do not, however, wish you to interpret our acquiescence to write this coverage as being willing to provide the city of Toronto, or other similar interests, with facilities to protect all of their properties, as our capacity can only be determined after we have had the opportunity of reviewing individual risks and values involved."

"With respect to rating the properties, obviously, rating formulae on an actuarial basis are not available for each and every form of new development as related to fire insurance contracts. The rating structure is largely the result of the underwriting experience. I can assure you, however, that we anticipate no problem in developing equitable rates commensurate with the liability we will assume and experience gained on an excess of loss basis."

"The issuance of any form of indemnity in this connection would only be authorized through licensed agents or brokers."

Fete Agricultural Men of Long Service

A number of officers and key men at the home office of Agricultural and Empire State who this year are marking either their 25th or 30th anniversaries with the organization were feted at a dinner on Grenadier Island in the St. Lawrence river. The gathering was attended by officers, directors and department heads.

President H. W. Tomlinson was one of those honored. He completed 25 years with Agricultural Aug. 15.

The 30-year men are E. J. Dickey, vice-chairman of the board; G. E. Ingelhart, vice-president, and A. L. Hollenbeck, secretary.

Besides Mr. Tomlinson, the quarter century men are E. Q. Morrison, assistant secretary; K. E. Chapman, secretary; J. S. Lawton, chief examiner in the middle department, and J. F. Collins, adjuster.

New Long Beach Officers

LONG BEACH, CAL.—Directors of the Long Beach Insurance Association have elected these officers: President, Phil A. Hattery; vice-president, Ben F. Paine; secretary, Clare D. Haman.

Eliminate Ration Collision Credit in Most States

NEW YORK—In view of the elimination of gasoline rationing the National Automobile Underwriters Association has discontinued the credits in the collision premiums for gasoline rationing in the following states: Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, Tennessee, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Utah, Vermont, Washington, West Virginia, Wisconsin and Wyoming.

Since there was no advance notice of the government's action in abandoning gasoline rationing it has not been possible as yet to issue manual reprint corrections covering these changes but the reprints will be issued as soon as they can be prepared. As to New York state business, the association suggests that companies hold up their October renewals and that any new collision business be issued at manual premiums without any credit.

The N.A.U.A. announcement stated that "it is understood that Commissioner Dineen plans a conference for Aug. 29, at which time it is hoped that final decision on this subject may be reached."

However, the New York department would not confirm this date, though it was not denied that there is to be an informal conference shortly with representatives of the fire and casualty companies doing an automobile business.

Lawyers Study Elmore Article

The implication contained in an article by Frank H. Elmore, former special assistant to the U. S. Attorney General, to the effect that the defendants in the Southeastern Underwriters Association case would have done better to have stood trial on the indictment and sought a directed verdict of acquittal has brought comment from several insurance lawyers.

Mr. Elmore's article which was published in the "Journal of American Insurance," of American Mutual Alliance and was quoted at length in last week's issue of THE NATIONAL UNDERWRITER, described the Department of Justice as having been considerably concerned over the possibility that the companies, rather than demurring to the indictment, would stand trial, and be successful in seeking a directed acquittal verdict, since in that case there would have been no possibility of appeal by the government. These lawyers point out, however, that such an acquittal would not have settled the issue, for the Justice Department would have kept on seeking indictment after indictment in one jurisdiction after another. Apparently the government was preparing to do this, for even before the S.E.U.A. case was heard the Justice Department was conducting investigations in New York City and on the Pacific Coast.

Furthermore if the Justice Department had been unable to get the question before the Supreme Court in a criminal proceeding it could have switched it to a civil court. Had this been done, the Supreme Court would obviously have decided that insurance is commerce, just as it did in the S.E.U.A. prosecution. Thus, any uneasiness the Justice Department may have felt as to which course the S.E.U.A. defendants would take could only have been due to annoyance at a possible delay in getting the case before the Supreme Court.

Mich. Tax Law Upheld by Circuit Court Ruling

Discrimination Called Not Violation of Interstate Commerce Ruling

LANSING, MICH.—Constitutionality of Michigan's gross premium tax and retaliatory laws, under challenge of Prudential and Massachusetts Mutual Life in a test suit due to be carried to the state supreme court, was upheld by Judge Carr of Ingham county circuit court.

The court denied an injunction sought by the non-resident carriers to prevent Commissioner Forbes from refusing renewal of their licenses because of their failure to pay some \$500,000 in premium taxes due on 1944 business. The amount of taxes due has been placed in escrow with the state treasurer pending outcome of the litigation, which has as its chief basis the Supreme Court's decision in the S.E.U.A. case holding insurance to be interstate commerce.

Polish National Ruling Cited

Study of the S.E.U.A. opinion and related opinions on the subject, and of subsequent congressional action, Judge Carr stated, had convinced him that the interstate commerce decision was not intended to interfere with normal taxation and regulation of insurance by the states with reference to their intrastate activities. The language of the supreme court majority opinion, it was noted, indicated clearly that "prior decisions were not overruled" and the court's opinion, handed down the same day in the Polish National Alliance case, specifically stated that "federal regulation does not preclude state taxation and state taxation does not preclude federal regulation."

The court stated that the latter opinion, particularly, embodied a "suggestion that certain phases of the business are of such character as to make them essentially intrastate operations and, as such, subject to regulation and taxation by the states."

Treat All in Class Alike

"It seems to be reasonably implied that state legislation of the character in question might reasonably be continued in force . . . insofar as objections based on the commerce clause . . . are concerned until such time as Congress may see fit to enter the field of general regulation of the insurance business."

The court pointed out that resident insurers pay taxes to the state but of a different character from those assessed non-residents.

"If the legislature has the right to impose a specific tax on insurance companies carrying on their businesses in this state," the opinion stated, "the right to classify for purposes of such tax necessarily follows. Provisions of the state constitution are not violated if all within a given class are treated alike . . ."

The court held that the growth of the business of the plaintiffs and decline of the business done by Michigan companies in the past 20 years indicates rather clearly that the differentiation has not operated to the prejudice of the foreign companies. Contention that the 14th amendment was violated by such discrimination was disposed of by the U. S. Supreme Court, the opinion stated, in the Oklahoma case of Lincoln National Life vs. Read, in which it was held that "the equal protection clause

(CONTINUED ON LAST PAGE)

Uniform Air Line Contract Nearly Ready

The insurance committee of the Air Transport Association has about completed its study of air line liability policies which is aimed at devising a uniform policy covering all third party liability in connection with operation of aircraft and a similar policy covering operations not involving the operation of aircraft. The committee has held an extended series of conferences with representatives of Associated Aviation Underwriters and U. S. Aviation Underwriters, which are the principal insurers of air lines. The recommended forms will soon be ready for submission to the Air Transport Association's membership.

It is anticipated that the actual coverage will be substantially the same as is now provided, except that a number of coverages presently added by endorsement will be contained in the policy itself, which will be a composite of the best features of existing contracts. However, because of the differing requirements of individual airlines it will still be necessary to amend policies by endorsement to some extent.

Hill Expected to Leave for Germany Next Week

WASHINGTON—It is understood that Col. Reese Hill, former chief of the War Department contract insurance division, has received orders to proceed to Germany for duty in connection with the insurance industry there. He is scheduled to be chief of the insurance division of the American control council, which is the American branch of the Al-

lied control commission for Germany. Col. Hill is expected to leave for his new post next week, his departure having been delayed by unexpected developments.

Dr. Medicis in Washington

WASHINGTON—Dr. Medicis, director of reinsurance of Brazil, spent two days here late last week conferring on insurance matters with officials of the U. S. Chamber of Commerce, census bureau, other government departments and agencies, and the Brazilian embassy. He is leaving for London shortly.

Dr. Medicis suggested that the international conference planned by the chamber, for representatives of the United States and Latin-American governments and insurance companies be not held before next year. An early date in the coming year now seems likely for the conference, object of which will be to promote the lifting of obstructive and discriminatory laws and regulations imposed in some countries against insurance companies of other countries.

Marshals Before Canadian Chiefs

Three hundred Canadian and American fire chiefs, attending the Canadian Fire Chiefs' Association convention in Windsor, Friday, heard addresses by Edward Hall, Detroit fire marshal; A. C. Renner, Michigan fire marshal; J. C. Craig, Illinois fire marshal; F. X. Ahern, Quebec deputy fire commissioner; W. J. Scott, Ontario fire marshal; Fire Commissioner W. L. Clairmont and Chief John Taylor of the Ford Motor Company, both of Windsor.

Lloyd Kvalheim has joined the Roy M. Hawkins agency of Auburn, Wash., as a partner.

W. G. Morris, who has retired as president of the First National Bank of Brewster, Wash., will establish a local agency there.

Study How to Make E. C. an Attractive Buy for Owners of Large Buildings

Refusal of most owners of large fireproof office buildings in New York City to carry extended coverage insurance can be overcome only by a very substantial reduction in the rate, according to producers handling this class of business. They feel that the present rate of 2 cents is far too high.

The absence of extended coverage which would have paid for the damage done when an army bomber recently crashed into the Empire State building brought out the fact that very few big office buildings have extended coverage, largely because their owners feel that the premium required is out of line with the maximum possible damage from any of the perils covered by the endorsement.

Several suggestions have been made for bringing the rate down to where it would be attractive. One view is that a rate of about one-half cent would be a good starting point and a number of underwriters have agreed with this. However, despite efforts that have been made, the rating authorities have not gone below the 2 cents rate.

Instead of reducing the rate itself, the same effect would be obtained if the present 80% coinsurance requirement for the extended coverage endorsement could be reduced. Another possibility would be a reducing rate scale on increasing amounts of insurance required under the present coinsurance requirement. This would be along the lines of the rates promulgated several years ago for errors and omissions insurance.

The argument for some method of reducing the extended coverage premium on large fireproof properties is that the physical damage likely to result from explosion, aircraft, riot, strike, or

civil commotion is unlikely to be greater in a \$5 million building than in a building worth only \$1 million but the extended coverage premium would be five times as great.

Goble to Potomac, General Acc.

Hal Irwin, Michigan manager of General Accident Assurance and Potomac, has appointed Tom Goble, former state agent for the Royal group in Wayne county, as special agent for both companies in eastern Michigan, including Wayne county.

Mr. Goble is a graduate of the fire insurance scholarship of Columbia University and has been in the Michigan field for nine years. His headquarters are at the offices of the companies at 400 Ledyard street, Detroit.

Chicago Warehouse Burns

The warehouse of United Air Cleaner Division, 9705 South Cottage Grove, Chicago, was destroyed by fire. Coverage on building and contents was in the mutuals. The loss is estimated at more than \$75,000.

Hays with American Indemnity

American Indemnity has appointed G. C. Hays special agent in Florida, with headquarters at Jacksonville.

Mr. Hays has had considerable experience in both the fire and casualty end of the business. After a brief period in local agency work, he joined Continental as special agent in Tennessee and Indiana, then for 13 years was manager of the insurance department of the Federal Land Bank of Louisville. The past year he has managed a local agency in Jacksonville.

The Insurance Women of Cleveland, who contributed \$350 to Crile Hospital for recreational facilities, were entertained at tea in the officers' quarters of the hospital. Regular meetings will be resumed in September.

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Information will be gladly furnished concerning all kinds of Mexican and Latin-American insurance upon request. Agencies are available in most parts of the United States and inquiries are invited from Insurance Companies, Agents and Brokers.

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PRESIDENT: BRUNO PAGLIAI

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CHICAGO

ANCHOR AGENCY PARTY

The Anchor Agency held open house at its offices in 1160 Board of Trade building, Chicago, Wednesday, and a number of agency and company men dropped in to pay their respects to the new firm. John J. Chavanne, Jr., and Steven T. Pepich, the partners, were hosts at the affair, which included refreshments, food and entertainment. The agency is a supervising agency member of the Chicago Board.

Among the guests were Henry Guthunz, Jr., executive vice-president, R. B. Angell, treasurer, and A. L. Roach, assistant vice-president of Anchor Casualty, and John Roe, production manager of the Anchor Insurance Agency, St. Paul; Howard Crowther and William C. Cullen of Cullen & Crowther agency, St. Paul; James W. Baker, Main &

Baker, adjusters, Minneapolis; C. I. Markham, Poulson Co. agency, Toledo; N. P. Delander, vice-president First National Bank, and Clarence King, assistant treasurer, Minnesota Mining & Manufacturing Co., Minneapolis; E. A. Hintz, president South Shore National Bank; W. E. Resseguie and O. B. Wallace, vice-presidents of Continental Illinois National Bank; V. E. Berry, treasurer of Alfred Decker & Cohn; Maj. W. S. Rice and W. T. Harper of Coe Laboratories, Chicago, and Louis E. Nelson, president of the First National Bank of Maywood.

CHIEF McAULIFFE TO SPEAK

Chief Frank C. McAuliffe of the Chicago Fire Insurance Patrol, who has just returned from a four months' trip to Europe, where he was a member of a large company of experts making a survey of European cities, will speak before the insurance group of the Union League Club at luncheon Sept. 6. Chief McAuliffe will make observations on various features of his trip. His unit was chiefly concerned with studying fire departments and fire defense of European cities. However, he had opportunity to make general observations of different kinds which are intensely interesting.

WATCHING HEMP LINES

Companies are watching their lines on hemp in warehouses and factories because the government has ordered closed the hemp concerns in which it was interested. There was a big demand for hemp, especially on part of the navy in order to make rope. Hemp production was encouraged in every possible way so that more acreage was employed in raising it. The demand for it now naturally will be lessened materially.

Insurance examinations will be held in Chicago Sept. 4 at 1:30 p.m. in room 338, 141 West Jackson boulevard, for insurance agents' and brokers' licenses.

FIELD

DeTreville Named Head of Louisiana Blue Goose

At the annual meeting of Louisiana Blue Goose in New Orleans the following officers were elected: James DeTreville, state agent, St. Paul F. & M., most loyal gander; Lake Dupree, Crum & Forster, supervisor; Col. Edward T. Miazza, F.C.A.B. (still in the European theater), custodian; Austin Reese, Royal-Liverpool, guardian; Theo Hickey, Godchaux & Mayer general agency, keeper; Jules Simoneaux of Henry A. Steckler Co., general agency, welder.

Reports indicate the pond has been active and is in sound financial condition. The fellowship committee was instructed to keep tab on returning service men and lend them all assistance possible. Alvin Shepherd, general agent, is the outgoing m.l.g.

Compton Special Agent in Alabama for Automobile

Lawrence P. Compton has resigned from Home of New York at Washington, D. C., to join Automobile of Hartford as special agent in Alabama, with headquarters at 406 North 21st street, Birmingham.

After leaving school Mr. Compton joined General Exchange with headquarters in Birmingham. He was assistant manager of the Birmingham

FOR SALE

An old established farm and city agency for cash. Owner retiring. Address C-68, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

branch when he left to go with the Home as staff adjuster in 1942.

Nourse Retires After 40 Years; Dallas Successor

SAN FRANCISCO—B. E. Nourse, veteran northern California field man, for 40 years with Fireman's Fund, is retiring Aug. 31 on reaching the age qualifying him for the company's pension plan. He is succeeded by Alfred J. Dallas, who has been in the head office in San Francisco and who has served as special agent both in northern and southern California. He will take over Mr. Nourse's headquarters in Oak-

land, Cal., in charge of several east bay counties.

Mr. Dallas started with Fireman's Fund in 1925 as a clerk in the head office and subsequently became one of its top production men.

Ill. Blue Goose Party Off

The Blue Goose Golf party and outing which was planned for St. Andrews country club, Chicago, Sept. 25 has been called off because of lack of interest.

Hayes Resumes L. A. Post

T. J. Hayes has been released from duty with the navy and has returned to his former position as special agent of

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Davenport Iowa
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FIRE BRANCH MANAGER

Age: 45
Education: College Degree
Marital Status: Wife & 2 Children
Experience: 5 years Assistant Secretary for Fire Company
9 years Manager of Home Office Underwriting Dept. for Fire Company
Salary: \$5,000

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Rhode Island— A Small State with an Impressive Background

BLOCK ISLAND, located about ten miles from the southern shore of Rhode Island, was a tempting spot for visiting privateers during the French-English War of 1689. Because of its isolated position, lack of adequate defense, and its convenient supply of cattle, hogs, sheep, poultry, etc., it was raided again and again by French marauders. While a force of men had to be kept on guard perpetually to combat these unwelcome visitors, their efforts were often futile against the well armed pirates. On one occasion, a heavily armed French privateer ship was taken by a small sloop "Newport" manned by fifteen courageous young Newporters led by the two young Wanton brothers, William and John. When the privateers fired a shot across the Newport's bow, the sloop gave every sign of meekly drawing along side, but instead it slid with great speed under the stern of the big ship, and the Rhode Islanders, after fastening the two ships together with grappling irons, climbed over the stern and shot all the crew who appeared on deck. The rest of the crew finally surrendered, and were taken to Newport to be tried and hanged. But in spite of such spirited resistance, the privateers continued to molest the Block Island residents until 1706. Today the island is occupied principally as a summer resort, and many fishing enthusiasts sail from here in search of tuna and swordfish.

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INLAND MARINE
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The personnel of the Rhode Island Insurance Company is on guard 365 days of the year, protecting the interests of its policyholders.

Phoenix Assurance in Los Angeles. W. K. Chetwood, senior special agent, will now cover downtown Los Angeles. Mr. Hayes will travel the northern half of the southern California territory and Bartle M. Harvey the southern half.

Ind. Relief Association Officers

Trustees of the Indiana Field Men's Relief Association have elected these officers: Lynn D. Swisher, W. P. Ray & Co., general agents, president; Clyde W. Blackard, New Hampshire, vice

president; J. E. Miller, Ohio Farmers, reelected secretary.

The officers are elected by the trustees from their own membership.

The Blue Goose qualifying matches for the northern Illinois division will be held at Big Run golf course near Joliet, Aug. 30, during the annual field day of the Joliet Insurance Agents Association.

Maj. Joe Fears, former Oklahoma state agent of National Union Fire, has returned to his home in Stigler, Okla., pending receipt of his discharge papers.

McAuliffe Returns from Bomb Survey

Chief Frank C. McAuliffe of the Chicago Fire Insurance Patrols has now returned to the city after being away nearly four months as a member of the U. S. strategic bombing survey. He was a member of a 22-man group that was charged particularly with investigating and reporting on the civilian defense of German cities, and he and Fire Marshal Anthony J. Mullaney of Chicago were assigned to the investigation of fire departments and water supply. Among the cities inspected were Cologne, Hanover, Hamburg, Augsburg and Bonn.

Chief McAuliffe flew from London to Essen and the party was assembled at Cologne. Head of the U. S. strategic bombing survey is Col. Franklin D'Olier, president of Prudential. Col. D'Olier is still in London.

Chief McAuliffe was in London on V-E Day. While in Germany he was able to arrange a meeting with his son, Lt. Frank R. McAuliffe of the 150th engineers. Lt. McAuliffe went to Augsburg to see his father. The young man was wounded in action on the Moselle river last March and was hospitalized about a month.

Chief McAuliffe is not permitted to discuss points pertaining to the subject of the survey until such time as the report has been officially released. Each member of the group turned in a report of his personal observations and this material is being assembled.

Observations as to Germany

Despite the fact that Chief McAuliffe cannot speak of certain matters of a technical nature pertaining to the report, he does have many interesting observations on conditions in Germany at this time. He states for instance that there is virtually no work being done in Germany except at the command of the occupying powers. Germans, according to their ability, are being assigned to specific tasks. He talked to several German insurance persons and found that they simply have no plans at all.

The one and only absorbing matter to Germans today is food, he said. A man may own a city block but he would trade it for a ham sandwich.

The Germans are living in all sorts of shelters, Chief McAuliffe found. The walls of a dwelling may be destroyed but people may be living in the basement, crawling in and out through a small window. In some cities where there are sections of fairly habitable residences, people from the bombed out sections are doubling up with relatives and friends and the congestion is intense. Chief McAuliffe was struck by the fact, however, that the Germans are neat and clean as to their persons. He said one is inclined at first to sympathize with German people until he talks to some of the displaced persons and hears their stories of slavery and brutality.

The displaced persons present the greatest problem to the occupying authorities. They are congesting the roads. They are dirty and hungry and many of them are possessed of a terrifying spirit of vengeance. The Germans are terrified, with reason, of these displaced persons and until they are gotten back to where they came from, they will continue to cause difficult problems for the occupying forces, Chief McAuliffe believes. The Germans themselves are tractable and can be easily managed. The physical problem of occupation is enormous, Chief McAuliffe observes. In order to manage the country communications must be restored and this means that the British and American forces must take charge of rebuilding bridges, telephone and telegraph wires, etc.

James C. Coates of the Coates & Coates agency, Little Rock, has been visiting in Chicago this week.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, Aug. 20, 1945.

	Par	Div.	Bid	Asked
Aetna Cas.	10	2.50	78	80
Aetna Fire	10	1.80*	52	53 1/2
Aetna Life	10	1.50*	45 1/2	47
Amer. Alliance ..	10	1.20*	20 1/2	22
Amer. Cas.	10	.60	11 1/2	12 1/2
Amer. Equitable ..	5	1.00	16 1/2	17 1/2
Amer. Home	10	.60*	11	12
Amer. (N. Y.) ..	2.50	.60*	17	18
Amer. Surety	25	2.20	65 1/2	67
Balt. Amer.	2.50	.30*	6	6 1/2
Boston	100	21.00*	660	680
Camden Fire	5	1.00	21 1/2	23
Contl. Cas.	10	1.80*	51	53
Contl. Assur.	10	1.20	41	43
Cont. N. Y.	2.50	2.00*	50	52
Fidelity-Phen.	2.50	2.20*	53	54
Fire Assn.	10	2.50*	57	59
Firemen's (N.J.) ..	5	.40	13	14
Fireman's Fund ..	10	3.00	93	95
Franklin Fire	5	1.00	21 1/2	23 1/2
Glens Falls	5	1.85*	46	48
Globe & Repub.	5	.50	9	10
Gt. Amer. Fire	5	1.20*	30	31
Hanover Fire	10	1.20	27	28
Hartford Fire	10	2.50*	102	104
Home (N. Y.)	5	1.20	26 1/2	27 1/2
Ins. Co. of N. A. ..	10	3.00*	92	94
Maryland Cas.	1	. . .	10 1/2	11
Mass. Bonding.	12.50	3.50	82	84
Natl. Cas.	10	1.25*	32	33 1/2
Natl. Fire	10	2.00	55 1/2	57
Natl. Liberty	2	3.30*	6	6 1/2
Natl. Un. Fire	20	5.00*	173	178
New Amst. Cas.	2	1.00	28 1/2	29 1/2
New Hamp.	10	1.80*	46	48
North River	2.50	1.00	22 1/2	23 1/2
Ohio Cas.	5	.70	30	32
Phoenix, Conn.	10	3.00*	83	85
Preferred Accel.	5	1.00*	12 1/2	13 1/2
Prov. Wash.	10	1.40*	34 1/2	35 1/2
St. Paul F. & M.	12.50	2.00*	71	73
Security, Conn.	10	1.40	33	35
Sprgfd. F. & M.	25	4.75*	117	120
Standard Acc.	10	1.45	36 1/2	37 1/2
Travelers	100	16.00	555	565
U. S. F. & G.	10	1.50*	42	44
U. S. Fire.	4	2.00	49	51

*Includes extras.

Bartlett Leaves Halifax Post to Return to Coast

W. A. Bartlett of Chicago has resigned as manager of the western department of Halifax to return to the Pacific Coast. He built up a representative agency plant during the four years of his connection with Halifax and leaves with the utmost good feeling. He will resume loss adjusting on the Pacific Coast, representing the companies. He had two years of experience in this line before going east.

Prior to his adjusting work he was coast manager of Reserve Underwriters of Dubuque F. & M. Mr. Bartlett was formerly a local agent at Galesburg, Ill., and was president of the Illinois Association of Insurance Agents. While in adjusting work at San Francisco he formed connections with a number of companies. His relatives all live in California and he has been eager to return to that region.

WANTED

FIRE PROTECTION ENGINEERS: Several needed for locations in east, middle west and south. Preferably technical graduates with rating bureau experience. Permanent positions with good opportunity for advancement. Reply stating age, qualifications and salary expected. Reply to Box No. C-73, National Underwriter Company, 99 John Street, New York, N. Y.

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J. G. Hubbell, {
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R. L. Thiele, Asst. Mgr.
P. A. Pederson, Chief Inspector

CASUALTY

Great American Indemnity Names Farmer at Chicago

Fred H. Farmer has been appointed assistant manager of the western department of Great American Indemnity at Chicago. He was transferred to Chicago from Syracuse, N. Y., where he was acting manager during the absence in service of Manager Harold Cobb, who is now back on the job. Mr. Farmer was with Royal Indemnity 15 years at the home office and in Buffalo. He was manager of the Buffalo service office from 1932 to 1943 when he joined Great American.

His appointment represents part of an expansion program the western department has planned, according to L. C. Knapp, western department manager, in the 15 states under its jurisdiction.

Ohio Casualty Makes Gains in First Half Year

Ohio Casualty had net underwriting profit of \$836,765, and net investment income of \$105,904 during the first six months of this year.

The company set aside \$394,684 for federal taxes, leaving net earnings after taxes of \$547,985. The net gain from

security appreciation and sales was \$94,119, and the combined earnings from underwriting and investments were \$642,104. After the payment of dividends of \$96,000, the company increased its voluntary reserve \$546,104.

Surplus stood at \$3,300,000, capital at \$1,200,000, and voluntary reserve increased to \$1,421,524. Assets increased to \$14,577,601.

Net premiums written in the six months amounted to \$4,506,463, a gain of \$527,689 from the amount in the corresponding period of the previous year.

McCormack Warns of Unlicensed Insurers

NASHVILLE—The public is being warned again by Commissioner McCormack, Tennessee, against doing business with insurance companies not licensed in Tennessee. These companies advertise through the medium of magazines or the mails that they have no agents and pay no commissions.

Mr. McCormack remarked that one non-admitted company during 1944 received premiums on a nation-wide basis of more than \$2 million, whereas the policyholders received only \$400,000 as benefits. The underwriting expense was \$1,250,000 of which amount more than \$300,000 was for home office salaries. During the same period another company received premiums amounting

to \$275,000, whereas the policyholders were paid claims amounting to only \$40,000. A third company advertising the tremendous saving to any person purchasing one of its policies had a premium income in 1944 of \$982,000, while losses paid were only \$155,000.

Mr. McCormack declares that any Tennessean who purchases insurance in an unlicensed company is, if he presents a claim, at the mercy of that company. An unlicensed insurer is not under the supervision of the department, pays no taxes and should it become necessary to bring suit there would be no one in the state on whom service could be had.

None of the companies domiciled in Tennessee transacts business in states in which they are not licensed.

The commissioner urges residents of Tennessee before purchasing any insurance on mail or magazine solicitation, first to inquire whether that company is licensed in Tennessee.

Correction on Keystone Auto

On page 62 of the 1945 Argus Casualty Chart the five year average of underwriting expenses incurred and the resultant ratios are incorrectly shown for Keystone Auto Club Casualty of Philadelphia.

The five year average of underwriting expenses incurred including the years 1940 through 1944 is \$513,688 instead of \$1,027,376. This results in an average ratio of underwriting expenses incurred to net premiums written of 32.8% instead of 67% as shown and a combined loss and expense ratio of 85.1% instead of 119.3%.

Sue Cleveland Gas Tank Builder

Charging the Pittsburgh-Des Moines Co., Pittsburgh manufacturer, with having been negligent in the constructing and testing of the East Ohio Gas Co. storage tanks in Cleveland, involved in an explosion last October, the estates of four Cleveland victims have filed suits for \$100,000 each.

H. Wells Walker, assistant comptroller of Travelers, for many years until his retirement in January, died Sunday at Bronxville, N. Y. A native of Palmyra, N. Y., he joined Travelers in 1912, and after undergoing training at the home office, became assistant cashier at St. Louis. In 1916 he went to Hartford as accountant in the life premium division and in 1927 was made assistant comptroller.

A son, John W. Walker, is assistant manager of Travelers at Washington.

To Hong Kong to Study North America's Return

V. I. G. Petersen, foreign manager of the North America companies in the far east, has left for the Philippines to study the insurance situation with a view subsequently to reopening the companies' office in Hong Kong, China. In the meantime his headquarters will be in Manila.

Mr. Petersen was one of the few persons in Hong Kong at the time of the Japanese attack who escaped to tell the story of the aerial bombardment and siege which lasted 16 days. He made his way over the Burma road and crossed the Himalayas to Bombay, where he was taken aboard a United States vessel and brought to this country.



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Write for the full story on "Reliable" home office cooperation with local agents . . . today! Address E. J. Weiss, President or John W. Kramer, Secretary.



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FIRE INSURANCE CO.
Dayton, Ohio

An Independent Ohio Company

What's good for the companies is good for the agents . . . and what's good for the agents is good for the companies . . . our problems and our destiny are inseparable.



Fire : Automobile : Inland Marine



FAMOUS SYMBOLS OF SERVICE

This Oriental "SEAL OF LIFE" was famous long before Confucius. Eight trigrams and sixty-four hexagrams signify sky, marsh, fire, thunder, wind, water, mountains, with an all-enveloping "Harmony". The Northern Assurance Symbol means SOUND PROTECTION against these elements in their uglier moods.

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NEW YORK • CHICAGO • SAN FRANCISCO



EDITORIAL COMMENT

The Critical Hour for U. & O.

The time is here today for generalship in the matter of use and occupancy insurance. U. & O. during the war period has attained a hitherto undreamed of degree of acceptance. A combination of circumstances arose to cause this form of protection to become regarded by a great many buyers as an insurance staple. It has reached a new level and yet it is far from what might be termed the saturation point.

This we think is the critical hour as to the future of U. & O. The tax incentive may become less potent and consideration of priorities may largely disappear. Hence U. & O. to hold a major part of the gains that it made during the war period, must become established as a year-in-and-year-out, true and tried, indispensable form of protection. It must be automatically included in the budget for insurance.

There is now a transition period. The buyers are going to review their insurance program in the light of peace time operations and economic situations. They are going to be more critical, we predict, and more impatient with what they may regard as angularities in the terms and conditions of the insurance.

To say the least, it would be excellent timing and the best kind of public relations to announce the termination of the priorities assumption rate. The boiler insurance companies prior to the end of the Japanese war, decided to remove the priorities clause from their U. & O. coverage and by strange coincidence selected as the effective date Aug. 15 which was V-J Day. Life insurance companies are tumbling over each other to announce the elimination of present war clauses from their contracts.

Regardless of how many solid reasons there might be for thinking it would be wise to retain the priorities clause for a time, it is inevitable that public and agency pressure will force it to go sooner or later and it would be better for the companies to take the action voluntarily and in good spirit and be acclaimed for a progressive, well-timed move than to be forced to act belatedly and grudgingly. Then we would say if there was ever a time for getting together and bringing out some form of reporting U. & O. cover this is the time. There are few enterprises today that do anything but throw up their hands in dismay when asked what their prospects are for the ensuing year. It is not inconceivable

that many assured might even become extremely indignant if asked to make such a projection today.

The Eastern Underwriters Association has brought out as available for various rating jurisdictions an adjustable premium form of U. & O. which, however, it is not bragging up. Under this program the assured buys a provisional amount of cover and if at the end of the year it turns out that he ordered too much, he pays on the basis of what his actual exposure was. This may not prove to be popular because the cost is 25% more than the usual 80% form. That comes about because the assured must carry full insurance to value and pay insurance on 25% more cover than he would be required to carry under the 80% form.

There are many obstacles encountered in arriving at a reporting form principle. What looks like an entirely sound and attractive proposition may fall apart at second glance. For instance it would not do to permit an assured to buy a provisional amount of insurance and then settle at the end of the year on the basis of an 80% clause or 50% business interruption provision. If that were done it would mean that if there was a loss during the year and the assured were carrying full insurance to value, he would be able to recover for the full amount and yet if he had no loss during the year, he would settle up on the basis of only 80 or 50% to value.

Nevertheless it is believed that there are at hand solutions reasonable enough to justify taking the chance and bringing out something at this particular juncture that would appeal to assured and that might save the day with a great many risks. There has been no insurance innovation that has not been adjusted as experience matured and as agency and public reaction developed. It is only necessary to compare the extended coverage of today with the six point supplemental contract of 15 years ago to appreciate what time and experience does for a new insurance undertaking.

We feel very strongly that this is a day of opportunity and the decisions that are made at this hour may determine whether the stature of fire insurance is to be enhanced by the permanent acquisition of many millions of U. & O. premiums or whether the business shall slough off and a long uphill fight be faced to get the premiums back on the books inch by inch.

PERSONAL SIDE OF THE BUSINESS

Holmes Meade, Topeka local agent, is a director of the consolidated Kansas Power Company and Western Light & Telephone Company, newly chartered \$8 million corporation, operating upwards of 200 individual public utility properties.

F. R. Bigelow, chairman of St. Paul F. & M., has retired as chairman of the First National Bank, St. Paul, but continues as a director. Philip L. Ray, who is a director of St. Paul and also a trustee of Minnesota Mutual Life, becomes chairman of the executive committee of the bank.

Virgil Roby, widely known in Minnesota insurance circles, won the Pine to Palm golf tournament at Detroit Lakes, Minn., for the third time in 13 years. George E. Edmondson, general agent of Tampa, Fla., won the consolation championship. Mr. Roby won the tournament title in 1933 and again in 1935.

Oscar H. West, Washington representative of National Association of Insurance Agents, has gone to Virginia Beach, on vacation until Labor Day.

Maj. E. C. Merrill, vice-president of the Whitehall Agency, 10 Gold street, New York City, who has been on duty with the army air forces since April, 1942, has returned to the insurance field after release from active army duty.

E. M. Griggs of Chicago, assistant general counsel of the National Board, has gone to New York and will remain in the office there while General Counsel J. R. Berry is on his vacation. Mrs. Griggs accompanied her husband to New York City.

peachment and until he was acquitted when he was under suspension.

Mr. Erickson was a member of the executive committee of National Association of Insurance Commissioners, but his resignation was accepted at the St. Paul meeting early this summer.

J. Dann Faber, 57, formerly with Colonial Fire and senior accountant of the Federal Deposit Insurance Corporation, died at Washington.

Col. Fred C. Best, 71, prominent Milwaukee financier, a trustee and member of the finance committee of Northwestern Mutual Life and of Northwestern National Fire, died from a heart attack.

Frank W. Jewett, 80, for 20 years with the Vanden Bosch & McVoy agency, Grand Rapids, Mich., died after a protracted illness. He was in the dry goods business for many years but entered the insurance field 25 years ago and remained in it until his retirement about five years ago due to failing health.

O. B. McKinney, 55, Colorado state agent for Town Mutual Dwelling, Employers Mutual Casualty and Mill Owners Mutual Fire, all of Des Moines, died in Des Moines Hospital after a two-year illness. He had held his position in Colorado 13 years. Previously he was a local agent at Cedar Rapids, Ia.

See Dangerous Precedent in Volunteer Worker's Suit

SAN FRANCISCO—In an effort to avoid a precedent to the effect that volunteer workers in various organizations may sue and collect damages for injuries sustained by working in such capacities, Frank J. Creede, San Francisco insurance attorney has filed an amicus curiae brief with the California supreme court in a case where a volunteer worker in the Hollywood canteen was injured while "jitterbug" dancing with a service man.

The woman, Miss Floria Edwards, radio actress, was serving gratuitously as a hostess and entertainer when hurt. She recovered damages of \$5,000 for injuries and \$2,870 for loss of earnings. The lower court in granting damages said that while she did not come under the provisions of the compensation act she was entitled to sue under common law. Mr. Creede is representing the Casualty & Surety Claims Association of San Francisco.

Frank Resigns WPB Post

WASHINGTON—Howard H. Frank has resigned as director of the War Production Board safety and technical equipment division and is returning to private business. Mr. Frank, formerly with Prudential and Bankers Life, and is from Kansas City.

Call for New Expense Exhibit

Among the states which have indicated either officially or unofficially that they will require the new casualty expense exhibit are California, Kentucky, Minnesota, New Jersey, New York, Pennsylvania, Texas, Virginia and Wisconsin. It is anticipated that all or virtually all states will require the exhibit.

DEATHS

Jesse A. Mount, 72, local agent at Lebanon, O., died suddenly at his home.

John B. Hammond, 73, Minneapolis local agent, died at his home in Edina.

James H. Smart, 69, from 1925 to 1939 mayor of Willoughby, O., and in the insurance business both in Willoughby and in Cleveland for many years, died there.

Franklin J. Berry, 40, office manager for 10 years of the Kridler agency, Fremont, O., is dead.

W. P. Houck, owner of the Houck & Cauthon agency, Mangum, Okla., died there.

Oscar E. Erickson, insurance commissioner of North Dakota, died at a hospital at Bismarck. Just two months previously he had been acquitted by the North Dakota state senate of impeachment charges that had been voted by the house. Shortly after the trial he entered a hospital and underwent a major operation.

Mr. Erickson was born in 1884 at Bloomer, Wis. He worked as a laborer in lumber operations and went into North Dakota as a harvest hand in 1905. He settled at Tappen, N. D. He became a school director and served as village marshal and township clerk. He served as a representative in the state legislature from 1923 to 1933 and as state senator from 1933 to 1935. He had been insurance commissioner since 1937 except for the period following his im-

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White New Head of Washington Agents

(CONTINUED FROM PAGE 3)

committee, headed by A. W. White, Seattle, received special mention in Mr. Lee's report. The committee he said, has worked out a splendid plan of co-operation with banks.

Mr. Lee said the agents' association played a leading role in working out a plan for handling automobile bodily injury and property damage insurance on disabled war veterans without resort to the assigned risk plan. He praised Commissioner Sullivan for his cooperation in the program and added: "The good will created by this plan will more than compensate the companies for any extra hazard they may assume."

The meeting got under way Monday evening with a cocktail party for the executive committee and local board presidents. The American Automobile companies were hosts. Following the party there was a dinner session of the executive committee and board presidents with William H. Harmer, Seattle, chairman, presiding.

The following morning there was a closed session for state association members. E. L. Smythe, president of the King County Insurance Association, gave the address of welcome. An 11-month financial report was then presented by Secretary-treasurer Willard H. Scott. Committee reports by the following chairmen were given: E. R. Bowden, legislative; H. E. Carr and Gerwyn A. Jones, membership; A. W. White, financed accounts; Charles P. Carroll, fire contact; A. J. Peters, by-laws revision.

State National Director A. W. White covered activities of the National association in his annual report. H. P. Sargent, Seattle, who heads a committee on revision of the state insurance code, reported on plans of the insurance department to present a recodification to the 1947 legislature and then led a discussion on the various revisions desired by the agents.

The past presidents held their traditional get-together at a luncheon.

The afternoon session, which was open to the insurance fraternity, got

under way with the report of the administration by Mr. Lee. Robert D. Williams, deputy insurance commissioner, who is supervising the recodification of the state insurance laws, discussed the department's plans.

Bank Agent Panel

A panel of three on "The Bank and Agent Auto Plan" conducted a question and answer form. Participating were A. W. White; Henry E. Schaefer, vice-president Seattle Trust & Savings Bank and chairman of the consumers' credit committee of the Washington Bankers Association, and E. L. Blaine, vice-president of the Peoples National Bank of Washington.

There followed another panel discussion on "Private Protection vs. Social Legislation." This feature was presented under the sponsorship of the Seattle Accident & Health Managers Club. Fred C. Becker, Great-West Life, was chairman. Participating were Ralph W. Neill, Seattle, manager of the Washington State Medical Service Bureau and executive secretary of the Washington Medical Association; Howard Ries, Everett, Equitable Society, who spoke for the Blue Cross plan; and Dwight Mead, Pacific Mutual, who summed up the advantages of private accident and health coverage.

Matt Maury, Olympia, presented the report of the resolutions committee. He was followed by H. H. Martin, chairman of the credentials committee and James M. Blair, Puyallup, chairman of the nominations committee.

United Pacific Cocktail Party

United Pacific was host at a cocktail party immediately preceding the annual banquet. Two hundred agents and company men attended. Jerry Storm, Seattle, officiated as toastmaster at the banquet. On behalf of the state association, William H. Harmer presented retiring President Lee with a traveling bag. Mr. Lee, in turn, introduced his successor, A. W. White, who introduced the new official family. A floor show concluded the evening's program.

Oscar N. Waltz was elected to fill the unexpired term on the executive committee of F. W. Norgard, and Leroy B. Way, Spokane, to fill the unexpired term of E. M. Ledward.

No Claims from Actual Atom Bomb Production

(CONTINUED FROM PAGE 2)

Richland. Approximately 20,000 operations employees remained after the construction workers had departed. Actual production of the parts of the atomic bomb was under way by the latter months of 1944.

There were no insurance claims of an unusual nature presented during the construction of the manufacturing periods, according to the insurance company. Most claims arose from automobile mishaps. These were considered natural because of the urgent haste of

IN U. S. WAR SERVICE

S/Sgt. Charles M. Young, who before entering service was in the eastern Pennsylvania field for the Loyalty group, has been awarded the bronze star for meritorious service in combat in the fighting in the Apennine mountains and Po Valley, Italy.

J. Lester Hourigan, president of Underwriters' Reports, and general manager of Underwriters' Survey Bureau of Boston, has been promoted to lieutenant commander in the navy. At present, he is stationed at the First Naval District, Boston.

Robert R. Hubner, who in private life is superintendent of the bonding department of Great American Indemnity at Chicago, has been promoted to major. He is finance officer at Fort Sheridan, Ill. He has been in uniform for about three years.

Kenneth Williams, 19, only son of President E. L. Williams of the Insurance Executives Association, has been graduated from the Naval Research Laboratories' radar school at Washington. He is a radio technician 3/c. He went into the navy when he was 17 and most of his time since then has been spent in intensive radio and radar study.

Part of the mystery of Robert A. Nelson's recent appearance in Chicago in civilian clothes, to the surprise of his friends, can be explained in that he has been associated with the Manhattan Engineer District, the army unit that developed the atomic bomb. Prior to Mr. Nelson's induction into the army he was assistant western manager of Atlas.

Larry Zonsius, Jr., son of Lawrence W. Zonsius of Conkling, Price & Webb, Chicago, is home on a 30-day furlough. At the time of the battle of the Belgium bulge he was reported missing in action and later turned up as a prisoner of war in the Moosburg prison camp from which he was released April 29. He enlisted at 18 and was in the service for two years, 10 months of which were spent overseas. Following his release from the prison camp he was hospitalized as a result of malnutrition and yellow jaundice. At present he is in the Ravenswood hospital in Chicago where he is undergoing examination and treatment before reporting back to his regiment.

the operations and because of the heavy traffic on poor roads.

The most ticklish phase of the adjustment of claims, according to the insurance company, was the necessity of keeping claims from reaching law courts, where attendant publicity might have drawn undesired attention to the mysterious operations in progress at Hanford.

The redbook of accident and health policy data—1945 Time Saver. \$4 from The National Underwriter.

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Watch for Evidence of W.C. Claim Spurt

Ponder Effect of Unemployment Compensation in "Comp" Cases

A close watch is being kept at this juncture on workmen's compensation claims to detect whether a deluge of manufactured and exaggerated injury and industrial disease claims is about to descend. Underwriters and claim men throughout the war period have been predicting that when hostilities ceased and cutbacks came there would be a procession of wrenched backs, sprained knees, industrial diseases, dermatitis and a variety of other obscure and non-traumatic disorders. Whether those who were predicting the worst were correct will soon be discovered.

It is not altogether the possibility of a wave of completely fraudulent claims that has disturbed the underwriters, but also the probability that workers in a period of idleness, may dwell upon some ache or other and seek compensation.

Dermatitis Claims Feared

Claims for industrial dermatitis are especially feared. Workers may have had some skin affliction but have kept on the job during the period of high wages and for patriotic purposes without perhaps even reporting their condition to the medical department. Now that they are laid off, it is conceivable that they will seek workmen's compensation benefits. A great many cases of dermatitis among war workers have no relation to the conditions of their employment. Skilled dermatologists are frequently able to establish that the affliction was of long prewar standing. The cases sprang up in fairly large numbers because of the fact that so many older people were employed who had a past history.

Then there will be the wrenched back. The employee, now out of work, for instance may report that he or she gave no heed to the accident when it occurred but that subsequently discomfort developed.

Of course, an important new factor exists in the operation of unemployment compensation laws. The question is whether those former war workers who might otherwise have been inclined to make a try for workmen's compensation benefits, will not instead take the perfectly legitimate and easy course of applying for unemployment compensation. Some of the cynical observers express the opinion that a great many workers will try for both unemployment compensation and workmen's compensation, notwithstanding the fact that in his application for unemployment compensation the worker must certify that he is willing and able to take a new job. In Illinois, under previous administrations of the industrial commission, it was held on several occasions that an application for unemployment compensation benefits had no bearing on the justice of a workmen's compensation claim.

Bond on Prefabricated Dwellings

LOS ANGELES—Hayward Lumber & Investment Co. has been awarded a contract for 100 prefabricated dwellings by the Federal Public Housing Authority, at a price of \$965,831. The dwellings are to be shipped to Honolulu. National Automobile & Casualty has executed the bond for the contract.

Kempf, Perkins Named Travelers Casualty Team

HARTFORD—Louis J. Kempf and Sanford B. Perkins have been made vice-presidents of Travelers and Travelers Indemnity and will have joint supervision of the compensation, liability, automobile, burglary, steam boiler, plate glass and aviation business. Both have been secretaries of the compensation and liability department.



Sanford B. Perkins

Mr. Kempf will be in charge of general administration of the casualty department and Mr. Perkins will have supervision of all rating matters and represent the companies in casualty boards, bureaus and other organizations.

Mr. Kempf was born at Greenville, Ill., and before joining Travelers as a boiler insurance special agent in 1912 worked for the Duplex Adding Machine Co., National Bank of Commerce at St. Louis, and Continental Portland Ce-



LOUIS J. KEMPF

ment Co., for which he was sales manager in northern Illinois. He was made an assistant manager at Chicago in 1915 and manager in 1916. He served there continuously until 1934, when he went to the home office as secretary of the compensation and liability department. As manager in Chicago he had demonstrated notable ability as an underwriter as well as an executive and salesman. He had also been active in the Illinois Insurance Federation and the Chicago Casualty Underwriters Association.

Mr. Perkins was born at Torrington, Conn., and is a graduate of Sheffield Scientific School of Yale. He taught both in Sheffield and in a preparatory school in New Haven from 1911 until 1917, when he joined Travelers in the casualty actuarial department. He was appointed casualty actuary in 1920 and in 1923 assistant secretary of the compensation and liability department. In that capacity and as secretary of that department since 1940, he has represented the company in many rating and underwriting organizations and is very well known among executives in the casualty insurance business, casualty actuaries and state insurance officials. He has served as president of the Casualty Actuarial Society.

Pacific Indemnity Half Year

LOS ANGELES—Pacific Indemnity's net premiums written the first six months totaled \$8,024,158, an increase of 4.42%.

Temporary Slump in Group Premiums Is Foreseen

Group insurance people are thoroughly resigned to the fact that the drastic cutbacks in war production are spelling a very substantial decrease in premiums. They are by no means dismayed by the current situation, however, as they feel confident that as reconversion is accomplished, coverage will be reinstated to somewhere near wartime levels and they are also confident that group insurance has become so well established as a permanent part of the personnel program that the sale of new group plans will if anything be accelerated during this period.

Already group people find that employers who have had group insurance under consideration, since V-J Day have been very much disposed to make a favorable decision immediately and get a plan in operation for its value as a talking point in trying to attract high grade personnel in this postwar era. For instance, one employer last week signed up for a pension plan that he had been considering for some time saying that he had been putting it off long enough either because the depression was commencing or was ending or war was commencing. There seems to be no panicky tendency on the part of employers nor an indisposition to consider installing a group plan at this time because of the uncertainty of the period that lies ahead.

It is expected that there will be at this time very little cancellation of group contracts except on the part of some small plants that may have been engaged entirely in war work and now are going out of business.

Termination of Liability

In the larger plants the cutbacks very likely will mean a very severe termination of liability and premiums under group contracts, particularly in connection with the disability features. The general custom is that an employee who is laid off subject to recall may continue his group disability protection for one month beyond the time of his employment. The insurers find that that is about as far as they can go. If they should undertake to permit the continuation of coverage beyond one month they begin to get an exceptionally large increase in claims from such employees.

If the employee is given his walking papers and is not told that he will probably be wanted again, then his disability protection ceases with his employment.

Six Months Interim Cover

In connection with group life, the general practice is that if the employee is told to stand by and wait a call back to his job, then he may continue his insurance for a period of six months. If it is on a contributory plan, the employee must continue to make his monthly payments.

If the employee is dismissed outright then, of course, he has protection under his group contract for one month and during that period he may convert his insurance into some permanent form.

If the employer has a very large cutback at this time, it is likely that the insurer will readjust his monthly billing accordingly. The insurance company bills the employer monthly for some uniform amount and then at the end of the year there is a readjustment but it is certain that the companies will be willing to change the amount of that billing in mid-term if there is a drastic reduction in the amount of coverage.

Admitted assets June 30 were \$27,142,269, an increase of \$2,542,317, and surplus to policyholders \$10,017,164, an increase of \$1,429,513.

Cars Temporarily Frozen Into Aug. 14 Ration-Book Status

To Draft New Automobile Rating Plan as Rapidly as Possible

NEW YORK—As a temporary measure, pending the adoption of a permanent plan which is being fashioned as rapidly as possible, the National Bureau of Casualty & Surety Underwriters and Mutual Casualty Insurance Rating Bureau are continuing the wartime A, B and C book classifications for private passenger vehicles if they were in those classifications on Aug. 14. Cars not in either the A, B or C classifications on that date will take the C rate.

Discontinuance of gasoline rationing on Aug. 15 made it imperative to promulgate some plan to take care of new and renewal business until a permanent rating basis could be evolved. Tentative changes, described in last week's issue, had been worked out, based on the expected elimination of the C classification but the Japanese surrender came so quickly that it was not possible to design a plan based on complete elimination of rationing.

Despite the fact that the automobile rating committee of the National Bureau decided to freeze the automobile rate structure temporarily on the basis of the system that has been in existence, many companies advised agents that they desired to collect the C card rate from all assured. Agents were eager to cooperate, as they have felt that the automobile rates had been driven to an unjustifiably low level. Many agents even without instructions commenced billing for all collision insurance at the C card rate. There will apparently be no resistance from agents at this time to an increase.

Beginning Aug. 20, the state of Washington examining bureau began tagging all automobile dailies written at other than C rates. Announcement was made immediately following the discontinuance of gasoline rationing. A and B card discounts were not allowed on policies bearing the effective date of Aug. 15 or later. Existing A and B policies are being permitted to run to expiration. In other states in which there is auto rate regulation similar steps were taken. In Louisiana A and B rates were eliminated and in Texas all rates based on ration cards were abolished.

The Illinois department has agreed to permit the companies to take account of ration card classifications in the rates until Sept. 1.

Besides Texas and Massachusetts, the bureau action does not apply in Louisiana, North Carolina or Virginia.

There has been much discussion in recent months of the postwar auto rating program with many executives favoring in principle a mileage or occupational plan, but with few suggestions being advanced as to a practical means of administering such a scheme. There seems to be little desire to return to the old business and pleasure use classifications that were in vogue prior to the war.

One of the main purposes of the stop-gap freezing decision on automobile rates was to try to bring about some semblance of uniform treatment during the few days following the end of gasoline rationing and until some fairly

(CONTINUED ON PAGE 15)

Prepare for New Auto Law in Illinois

Committee Will Be Assigned to Get Up Educational Program

The meeting in Chicago last Wednesday to discuss the educational program acquainting insurance men and the public regarding the new Illinois financial responsibility act which goes into effect Jan. 1 was not well attended because of the holiday. However, Insurance Director Parkinson and Secretary of State Barrett were present. The out-of-town attendance was better than that from Chicago.

The Association of Casualty & Surety Executives and American Mutual Alliance were represented by their people speaking for member companies. Almost all the independents are interested. The Chicago Motor Club, Allstate, State Farm Mutual Automobile, Illinois Agricultural Mutual and in fact almost all the Illinois mutuals and independents were on hand.

Parkinson Explains Law

Mr. Parkinson presided, explained the law and stated that the department desires the people to be well informed as to the law before it goes into effect. He stressed the need for uniformity so far as general newspaper, billboard and radio advertising is concerned. There are three state departments that are primarily interested, the insurance department in connection with the licensing of producers and companies, and supervising the assigned risk plan, the secretary of state issuing and revoking automobile licenses and the department of public works and buildings, division of the state highway department being the agency receiving notices of accidents. Leslie W. Polk, formerly commissioner of public works in Evanston, is head of the state highway department.

A committee will be named to recommend a program that will be presented to the companies. The secretary of state's office sent out a news release about the new law without giving any particulars. This aroused interest on the part of the public and automobile owners began seeking information from their insurance offices.

THE NATIONAL UNDERWRITER got out two leaflets, one being a clear explanation of the features of the law which agents especially should know so that

(CONTINUED ON LAST PAGE)

American Auto Appoints Two Men in Chicago

E. D. Loring, resident vice-president of American Automobile in Chicago, has appointed two men on his staff.

Chester W. Grott becomes field representative (special agent) in Cook county. He resigned from a similar post with Globe Indemnity there. Howard E. Thomas has been named supervisor of the fire department by Mr. Loring. He has just returned from long combat service with the 4th marines, taking part in the invasion of Iwo Jima and other Pacific islands. He has been in the service for about 18 months and has been honorably discharged as a pfc.

Mr. Grott, a graduate of University of Alabama, has had over five years insurance experience. He was with the Continental Casualty home office in the compensation and liability department for three years, then became a casualty underwriter for Globe Indemnity, later being assigned as special agent.

Mr. Thomas, a graduate of the famous Todd School of Woodstock, Ill., and of St. Albans school at Sycamore, Ill., from 1928 to 1940 was connected with W. A. Alexander & Co. in Chicago in the fire department, and also has been Cook County special agent of Royal Indemnity.

A.&H. Doing Good Job, but Sales Technique Deficient

Only about 1% of disabilities are permanent, that is, extend beyond one year, so that any contract that provides indemnity for loss of time up to one year, as is done by most of the companies writing accident and sickness insurance in the United States, covers about 99% of the disabilities suffered by the people in any one year. On this basis, Dwight Mead, Pacific Mutual Life, Seattle, declared in the panel discussion sponsored by the Seattle Accident & Health Managers Club at the annual meeting of the Washington Association of Insurance Agents, that there is no reason for serious criticism by the government.

"As a matter of fact," Mr. Mead said, "assuming that we have 60 million post-war workers, those companies that are now writing group insurance can certainly cover between 60% and 80% of the workers, and individual policies should be able to take care of the balance. If we do this, there can be no cause for governmental interference with our business. The politicians claim that (1) we have not covered enough workers and (2) we do not give back a large enough segment of the American dollar. This may be true, but the fire and casualty companies are not doing any better than we are."

Must Improve Sales Technique

In spite of the phenomenal growth of accident and health insurance, Mr. Mead admitted, however, that it has not been doing a very good selling job until quite lately. "We may anticipate that there is going to be some government plan that will make provision to pay the worker for time lost through disability or unemployment unless we improve our selling technique and give the public a simple contract that they can understand as basically doing just one thing, that is, provide income, whether it is on a short or long term basis, and unless we can improve our public relations program, which has been woefully weak, by explaining the contract to people in language that they can understand. The one thing a worker is interested in is: 'What is going to happen to my income if I can not work.'"

He also raised the question of what is to be done about impaired risks. "The government will insure all risks, including impaired risks," he said. "If the impairment is severe we will not underwrite; if it is not too severe we ride the policy. It is my belief that a large percentage of these impaired risks should not be denied coverage. The premium could be loaded to assume the impairment. Group insurance, however, takes care of many risks that would not be individually underwritten. This will help."

Protect Time Loss First

Citing the statistics on disabilities and hospitalizations, he said the proportion is about one to four, and while hospitalization is very necessary to preclude longer period of disability, in his opinion it is much more important for the worker to have his time loss protected than to be hospitalized. Hospitalization and medical care are temporary relief, but the loss of income, if extended beyond 14 days, becomes a very serious situation from the standpoint of the family income unit.

He reiterated that there is nothing mysterious about accident and health, that it is not necessarily a specialized line and that general writing agents who are passing it up are overlooking a good bet.

Howard C. Ries, Equitable Society, Everett, Wash., who is a trustee of the Washington Hospital Service Association, trustee of the General Hospital of Everett and past president Washington State Hospital Association, speaking in

New Hartford A. & I. Insurance Loss Bonding Chief

William H. Wallace, who has been elected a vice-president of Hartford Accident



William H. Wallace

to be in charge of the head office bonding departments, has been one of the prominent fidelity-surety men in the middle western field. He went with Hartford Accident after graduating from Dartmouth College in 1923 and during that entire period has been associated with its bonding departments. In 1930 he was named bond superintendent for the western department of Hartford Accident, handling all except Cook county. In 1934 he was named superintendent for the entire field. He is a former president of the Surety Association of Chicago.

Given Farewell Dinner

Mr. Wallace, who has now arrived in Hartford, was tendered a farewell dinner at the Edgewater Beach Hotel, Chicago, by his associates in the western department. The group numbered about 40 and included officers and department heads. He was presented with an inscribed watch by Vice-president George H. Moloney who is in charge of the western department and he received gifts of flowers from the home office and from the western department.

Few Michigan Traffic Deaths

LANSING, MICH.—Michigan insurance men and traffic safety experts were definitely encouraged at the accident experience on the state's highways over the first post-war week-end.

Only six fatalities were reported as resulting from traffic accidents in the state although traffic volume, with gasoline rationing lifted, was estimated by state police and other authorities as from 50 to 100% above that of any previous week-end this summer. Three of the fatalities were in the Detroit metropolitan area.

One factor in the low fatality score may have been refusal of state authorities to lift the 35-mile-an-hour speed limit immediately.

from a background of 24 years in life insurance and extensive collateral experience with accident and health and the various group coverages, said the Blue Cross should be recognized as a readjustment in the economics of hospital administration and distribution and not just as a competing insurance enterprise. It has two main purposes, (1) to ease the shock of the hospital bill, especially for dependents, which has been a major problem in many cases, and let the patient go home to get well with pleasant memories of the hospital and its service and (2) to meet the need that the hospitals be paid for their services promptly—especially services to ward patients, on which for many years they had been sustaining a loss, with an effort to distribute it over the other services and the rates on private rooms.

Blanket Medical Imperative

While the customary procedure of selecting risks may be imperative for insurance companies, and they should continue to follow this procedure without interference, he declared that unless some blanket coverage for sickness such as the Blue Cross offers for hospitalization is generally accepted, in Washington at least, the business is facing state legislation "which will do us all irreparable damage." A compulsory health insurance program was narrowly averted at the last session of the Washington legislature.

Insurance Loss Heavy in S. F. V-J Celebration

Thousands of dollars of damage to property, 12 deaths, more than 600 injuries, a series of robberies, more than 200 fires, and numerous automobile accidents resulted from a wild and unexpected victory celebration in San Francisco, Aug. 14-15. On the first night, with the streets crowded with civilians and service men, there were a number of plate glass losses and robberies—but on the following night the damage was many times greater as store after store had the windows smashed in, stocks thrown out into the streets and various other damage done.

Claims for fires and plate glass damage were being received before the second night's riot started—led mostly by servicemen. This riot got out of control and the police, aided by the shore patrol, the military police, firemen and auxiliary police did not get the swirling mobs off the streets until after midnight. Thousands of innocent persons, downtown to attend theatres found themselves in the mobs and witnessed holdups, deliberate burglaries, attacks on women and many another type of vandalism without being able to halt the havoc.

No one has attempted to estimate the insurance loss, and public officials have said that property damage will be paid for by the city, state or federal government. The San Francisco district attorney said the city is responsible. On the first night 32 stores operated by a large national chain store organization were systematically broken into and stocks of liquor removed from broken show windows. The robberies had the look of a job long planned for just such an occasion.

Detroit Blue Cross Stand Corrected

Dr. John H. Law, president of the Greater Detroit Hospital Council, has written stating it is not true, as was reported in THE NATIONAL UNDERWRITER of Aug. 2, that the members of the council adopted a resolution insisting that the hospitals receive from Michigan Hospital Service, which is the Blue Cross plan, a flat per diem rate and the right to collect from individual patients the difference between the amount paid by the Blue Cross and the regular hospital charges. Dr. Law states that the Greater Detroit Hospital Council did not adopt such a resolution. The memorial was introduced by an individual hospital administrator, he declared, and, because of the gravity of the charges it contained, and because it was apparent that many of the important charges were based upon erroneous statements of facts, it was referred to a special committee to be appointed to examine the charges. Copies of the resolution also were transmitted to various member hospitals of the council.

"It is clear," Dr. Law states, "that the resolution cannot be construed as representing more than the viewpoint of a single person until it has been officially acted upon by the Greater Detroit Hospital Council."

OAS Bureau to Return

WASHINGTON — Announcement has been made that the social security board bureau of old-age and survivors insurance will return here from Baltimore, to which it moved three years ago, when space becomes available for the bureau in the social security building. The bureau has 4,600 employees in Baltimore, 3,200 workers in field offices and 1,200 in five area offices formerly centralized in Washington. It was stated that area offices will remain at present locations.

ACCIDENT

MacEwen Heads Occidental Life A. & H. Department

D. C. MacEwen has been named to succeed A. D. Anderson, superintendent of the accident and sickness department of Occidental Life of California, recently appointed Minneapolis branch manager. Mr. MacEwen for the past 18 months has been in charge of development of the



D. C. MacEwen

company's program of accident and sickness in combination with life.

Walter F. Schmitz becomes accident and sickness supervisor. For the past five years he has been traveling out of the home office for the department, first as agency assistant and later as division manager for the Pacific coast.

Mr. MacEwen has had 35 years' experience in accident and sickness sales work. A native of Canada, he went to Los Angeles in his youth and joined Pacific Mutual Life as an underwriter in 1908. In his 34 years with that company he served as head of its accident and health department and later as vice-president and superintendent of agencies. He is a past president of the Health & Accident Underwriters Conference and served as vice-president of the Life Agency Officers Association.

Mr. Schmitz joined Occidental Life in 1940 after a number of years with the Loyalty group. He entered insurance work immediately after graduation from college. He was especially successful as a salesman and soon was advanced to sales promotion work with the Loyalty group. From 1937 to 1940 he assisted in training new men for the organization.

Kelly Made Group Supervisor

Robert B. Kelly has been appointed group supervisor of the accident and health department of Associated Indemnity in northern California. Mr. Kelly, who was recently discharged from the navy, was formerly with Federal Life in San Francisco. He started in the business with the R. E. Cady agency at Bakersfield, Cal.

The redbook of accident and health policy data—1945 Time Saver. \$4 from The National Underwriter.

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Excellent opportunity, especially if familiar with retrospective or participating plans. Texas territory only. Give age and details of past experience first letter.
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COMPENSATION

Florida Agents Uphold Compensation Rate Filing

The Florida Association of Insurance Agents was represented at the compensation rate hearing at Jacksonville by J. Howard Gould, president and Mitchell Stallings of Tampa, chairman of the special workmen's compensation committee.

This is the first time the Florida association has taken an active interest in the matter of rate filings of the National Council on Compensation Insurance. The hearings attracted many agents from various parts of the state as well as large delegations representing organized industries, also company men and general agents, who expected plenty of fireworks in view of the attack previously made by the Associated Industries on compensation carriers and Mr. Gould's bulletin in response, but the expected fireworks did not materialize, as

C. G. McGehee, president of Associated Industries of Florida, remained almost silent throughout the hearing.

The council's filings were presented by Harry Richardson of the National Council after which Mr. Gould and Mr. Stallings presented the agents' position on the present filings, stating that in the opinion of the agents the contemplated reduction of 5.5% proposed by the National Council is justified and fair as regards both the buying public and the insurance carriers and urging that Commissioner Larson adopt the filing as

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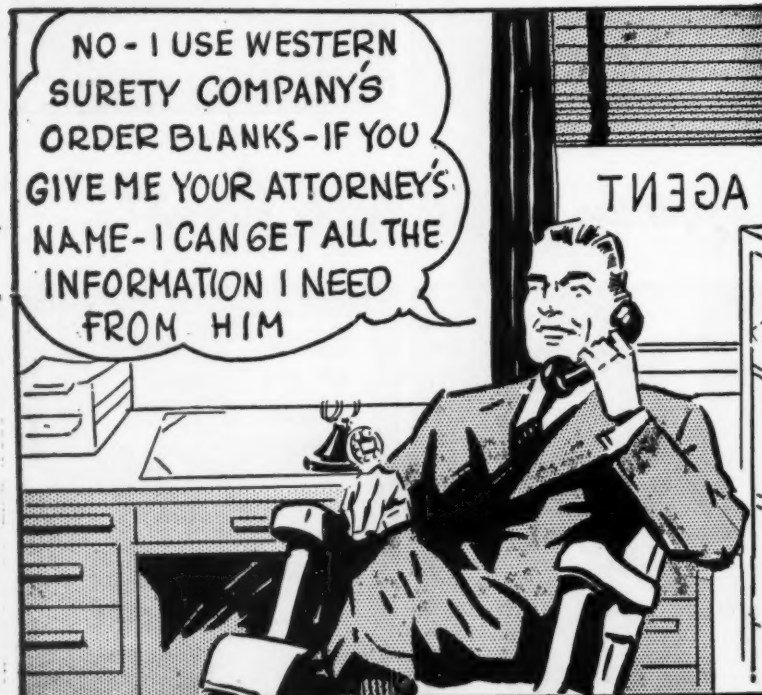
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recommended by the National Council. Organized industries of Florida presented a petition to the commissioner requesting that the department set up the necessary staff to obtain data such as premiums written and losses incurred for the first four of the last five years, with the apparent purpose of attempting to maintain statistical data with which to check accurately all figures released by the National Council and make this data known to the public prior to future hearings.

It was disclosed by the Florida Association of Insurance Agents that whereas the Associated Industries in their attack on insurance carriers had stated that the companies had made \$4 million since the inception of compensation in Florida, the actual profit from workmen's compensation writings in Florida was 6.89% or \$2,627,370.

Commissioner Larson is studying the data presented and expects to announce his decision soon.

CHANGES

Aetna Casualty Engineering Changes

Donald G. Vaughan has been appointed assistant manager of the engineering and inspection department of Aetna Life affiliated companies. Walter S. Paine, manager of the department, announced also that Fred W. Sehl, chemical engineer, has been placed in charge of laboratory research, to be assisted by James L. Keane, electrical engineer; Roger T. Waite, electrical engineer, placed in charge of electrical and illuminating problems, and coordination of office work; Engineers Kenneth E. Turn and Richard G. Capen, graduate engineers, named special assistants to Mr. Vaughan in field service operation, in addition to their work in specialized mechanical engineering research problems; Charles F. Pierce supervising marine engineer, Walter P. DeVries engineer in charge of the salvage division, and Edward D. Bastert engineer in charge of field reports.

Mr. Vaughan will assist Mr. Paine in the general administration of the department, giving special attention to engineering field activities and intensifying engineering service. He is a graduate of Massachusetts Institute of Technology in 1925. He joined Travelers in 1926 as an engineer. In 1929 he became manager of the Springfield Safety Council and in 1933 joined the Aetna organization as an engineer. He did considerable field work on highway safety throughout the northeastern section of the country.

A reserve officer, he was called into active military service as a major in 1941 and later became lieutenant colonel, serving in Ireland and England in an anti-aircraft division. He was returned to inactive duty in 1944. He is a member of the American Society of Safety Engineers, and is active on committees of the American Standards Association, the National Fire Protection Association and the National Safety Council.

A. & C. on General Agency Basis in Cal.

SAN FRANCISCO—W. G. Cannon, San Francisco manager of Accident & Casualty, has announced the appointment of Finn, Smith & Medcraft as general agents for California. T. E. Loynahan, widely known casualty and surety executive, has become manager of the casualty and surety department of Finn, Smith & Medcraft and will have direct supervision over all such operations for the general agency. Roy C. Lundin is superintendent of the casualty and surety department and Sig C. Arndt is production superintendent. Herbert

G. Maertiins is manager of Finn, Smith & Medcraft's Los Angeles office.

Mr. Loynahan, veteran of more than 30 years in the business, started in San Francisco with the old Frankfort General under the late David Duncan. He joined Ocean Accident and was with that company 18 years in varied capacities, advancing to assistant manager of the Pacific department, and later was transferred to the U. S. head office in New York. He also served as vice-president of General Casualty at its head office in Seattle and in San Francisco as northern California manager of Ohio Casualty.

Hammers Joins Western Casualty at Head Office

Charles W. Hammers, formerly Oklahoma state agent of Fidelity & Casualty with headquarters at Oklahoma City, has joined Western Casualty & Surety to assist A. B. Eaton, manager of the bonding department, in contract bond work. Mr. Hammers has been with Fidelity & Casualty some years. He was at the home office, and then at Baltimore and later at Dallas. While he has specialized in the fidelity and surety field, he has been handling all lines in Oklahoma.

Sanders with Buckeye Union

Russell J. Sanders, former partner of the Sanders & Donaldson general agency in Indianapolis, has been appointed special agent of the Buckeye Union companies in Indiana. G. H. Downey is state agent.

Carle Returns to Yonkers Post

Melvin W. Carle has returned to Travelers after serving in the armed forces and has been appointed assistant casualty manager at Yonkers, N. Y.

During the former war, as a private, he was engaged in transporting troops to Siberia. He enlisted for service in

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the second war in 1942, and was assigned to the naval recruiting service. For a time he traveled throughout the United States and for the last year and a half was assigned to the naval recruiting station at New York.

Tompkins with M. & M. at St. Paul

ST. PAUL—W. H. Tompkins, who has been a field supervisor in the accident and health department of the Fred L. Gray Co., Minneapolis, has joined the St. Paul office of Marsh & McLennan in charge of casualty underwriting.

COMPANIES

Carolina Casualty Goes Forward

Carolina Casualty of Burlington, N. C., which has been operating only three years, during the first six months of this year has made much progress. Premiums written during that period exceed \$154,000 which compares with \$95,000 for the entire year of 1944. Assets amount to \$473,487, an increase of about \$63,000 from Dec. 31 and policyholders surplus is \$350,999, an increase of about \$25,000.

Carolina Casualty writes principally accident, health and hospitalization lines but also is interested in automobile, compensation and general liability.

The loss reserve at June 30 was \$49,442 and premium reserve \$59,254. P. C. Baylor is president.

New Company at Salt Lake

National Farmers Union Automobile & Casualty Company of Salt Lake City has been incorporated with authorized capital of \$350,000. Stock in the amount of \$275,000 par value will be issued. It intends to write automobile and liability insurance. The incorporators are L. G. McCubbin, Harvey R. Solberg, C. E. Huff, C. E. Lewis, all of Denver, and Paul V. Kelly of Salt Lake City.

Will Pass \$45 Million Mark

Continental Casualty this year will run upward of \$45 million in total premiums. Its premiums for 1944 were \$38 million. Its accident and health premiums the same year were \$16 million and it will show an increase of about \$2 million or more in that business this year.

PERSONALS

President Roy Tuchbreiter of Continental Casualty and Continental Assurance, who was hospitalized because of duodenal ulcer which caused a hemorrhage, is back on his feet and at work every day. He had a remarkable recovery.

L. C. McGee, Minneapolis manager of Aetna Casualty, has been elected commander of his American Legion post.

E. J. MacLeod, vice-president of New Amsterdam Casualty, has been making a business trip to Chicago and Detroit. It was Mr. MacLeod who originated the lawyers' protective policy of New Amsterdam Casualty and U. S. Casualty that was recently introduced and he is devoting much attention to supervising the sale of the contract.

Brig. Gen. George Olmsted, who planned the paratroopers' rescue of General Wainwright and other military leaders held prisoner by the Japs in Manchuria, is vice-president and board chairman of Hawkeye Casualty of Des Moines. He is on leave of absence while in military service.

James R. Otto, 50, treasurer since 1936 of Auto-Owners of Lansing, Mich., died as a result of a heart attack.

Mr. Otto had a wide acquaintance in insurance circles, particularly in the automobile field, as he had headed the automotive section of the National As-

sociation of Mutual Insurance Companies and was elected last year a director of that association. Earlier in his career he had served as assistant cashier of the western department of Boston and Old Colony in Lansing, leaving that position for a short time to enter the banking field. He returned to insurance in 1923 when he became bookkeeper for Auto-Owners, later auditor, and treasurer in 1936. He also had served as treasurer of Underwriters Finance corporation, a subsidiary of Auto-Owners, and was formerly secretary-treasurer of the Michigan Air-Way Corporation.

Cars Temporarily Frozen Into Aug. 14 Ration-Book Status

(CONTINUED FROM PAGE 11)

urable scheme could be agreed upon. When gas rationing was abruptly ended companies were besieged with inquiries from agents as to what to do and a variety of off-the-cuff instructions were given. Frequently conflicting instruc-

tions were given by different individuals in the same company.

As a matter of fact, the freezing didn't bring about absolute uniform treatment but no one seemed to be particularly disturbed by the fact that during the interim the agents were pretty largely writing their own tickets. In some agencies, even though the National Automobile Underwriters Association had made no announcement even of a stop-gap nature, the agents were undertaking to collect the C card rate for collision insurance. A number of the agents felt that this is the most sharply underpriced line in the automobile field and that the companies are entitled to as much relief in that direction as can be produced. Some agents were getting C rates for collision insurance but were not so insistent upon putting the C price on the third party coverages.

The temporary basis may have to be continued for some weeks as automobile casualty underwriters are confronted not only with the task of what rates to charge but what sort of a rating plan to devise. Announcement of the temporary plan authorizes its use on new risks until further notice and on renewal business through October.

The automobile rating committee of

the National Bureau held a special meeting Tuesday and Wednesday of this week. The Mutual Bureau is also giving the matter intensive study. It is likely that whatever basis is finally adopted will be the same for both stock and mutual carriers under the two bureaus' jurisdiction. This is required in New York state, and the requirement has tended to result in uniformity being extended to the other states for which these two organizations promulgate rates.

Two Schools of Thought

Among the bureau stock companies there are two schools of thought, as to the extent to which rates should be raised. One feels that they should be boosted substantially in view of the complete removal of gas rationing, and the greatly increased accident hazard due to worn tires and old cars. The other group believes it would be wiser to make a moderate increase, on the basis of which to accumulate experience for further adjustments.

Even with any conceivable increase that might be put through, automobile underwriters are pessimistic about the experience for the remainder of this year. In general the automobile casualty business has been showing a loss, par-

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ticularly property damage, in which the loss ratios have been running in the 70's. With everything tending to make this still worse, including the government's removal of the 35-mile-an-hour wartime speed limit, the underwriters can see no light ahead.

AVERAGE RATE?

There is also some difference of opinion as to whether an average rate for all private passenger vehicles should be promulgated or whether these risks should be classified according to degree of hazard. One possibility is that it might be found advisable to use an average rate for a year or so in order to develop the experience to use as a basis for risk classification.

However, there is considerable sentiment for adopting some basis of classification without delay. One strong argument for this course is that an average rate plays into the hands of non-bureau competitors. The latter offer their reduced rates to the cream of the risks, thereby causing the bureau companies to lose volume and to suffer from anti-selection, for to the extent that competition takes away the better risks the "average" rate is correspondingly inadequate, for it no longer represents an average of the risks insured.

View of Agents

The agency forces are the big source of support for the average rate idea. They contend it is simpler to handle, there is no cheating by those who try to squeeze into a lower class, and of course there is no explaining to do with the insured who pouts because somebody else is getting a lower rate than he is.

In spite of whatever chiseling there may have been, the A-1 class-cars driven 7,500 miles a year or less, by only two drivers, each at least 25 years old—showed a definitely better experience even in the relatively short time that the A-1, A and B classifications were in use before the system based on gasoline rationing was put into effect.

Unfortunately the underwriters are up against the well known fact that it is much easier to reduce rates than to raise them. In Texas, however, the old rates continued to be regarded as standard and when gasoline rationing was dropped the Texas rating bureau eliminated the credits for gasoline ration cards, permitting the companies to go back automatically to the former rates.

The Massachusetts manual contains

the pre-war rates and also shows the special wartime rates. However, there is not much urgency as respects Massachusetts, as practically all the business there coincides with the license year and renews on Jan. 1. Whether it will be possible, however, to go back to the pre-war rates as easily in Massachusetts as was done in Texas is another question. Because automobile insurance is compulsory in Massachusetts rates there have long been something of a political football. In Massachusetts, as in most other states, despite the emphasis that was laid on the connection between the rate slashes and wartime gas rationing, it is not going to be an easy job to get the rates up to where they should be.

Whatever measures are adopted, the safe driver reward plan is unlikely to be resurrected. The fact that it was cumbersome to administer and vulnerable to competitors, who offered the equivalent discount without waiting a year and without being contingent on an accident-free record has apparently killed the plan for good despite the undoubted value it had as an accident prevention means.

Most Engrossing Situation

The automobile situation is perhaps the most engrossing one for casualty underwriters these days. While the personal injury loss ratio is running about the same as last year the property damage and collision ratios are soaring. The high price of labor and material has created an abnormal condition. It is too early to tell whether the end of the war will bring an improvement and if so, how much. Whether rates are too low or whether they are approximately correct will have to be decided later on when there is sufficient combined experience to tell a story.

Companies that have a tidy volume of automobile business can go through ups and downs with equilibrium. There will be periods when seemingly the rates are too low because the losses are abnormal. Then follows an upturn. Companies of this character aim to maintain a sufficient reserve or surplus to level the yearly experience whether it be good or bad. Companies having a smaller volume have far more difficulty because they cannot get the spread that is necessary to create the level. They are affected very much by lower rates and abnormal loss producing conditions.

Now with gasoline restrictions removed the exposure is twice as great as it was before. People immediately began to use their cars far more, go on longer trips. It was very noticeable the day after the official notice came that the roads and streets were far more congested than they had been. People motored to distant points, they sought eating places off the beaten path, there was more liquor consumed and hence accidents began to mount in number and severity.

The more cautious companies now will begin to change their system of underwriting and have an eye on those that are inclined to be careless and daring. The gasoline restrictions undoubtedly had an effect on automobile driving and caused people to be more cautious. It will be necessary now to be more selective and watchful.

The extent to which new tires become available to motorists is likely to affect the accident record. One of the greatest fears is that there will be a large number of accidents caused by old tires blowing out and causing cars to get out of control.

Also the effect of a return of younger drivers is causing apprehension.

Form County Safety Council

A Johnson City-Washington County (Tenn.) Safety Council has been formed with Perry D. Hunter of the R. C. Hunter agency as chairman, and George Oldham, Travelers Fire and Continental Casualty, as co-chairman. Robert B. Leopold, Atlanta, field representative of the National Safety Council, assisted in the organization.



INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Activities at Wisconsin Parley to Be Extended

MILWAUKEE—Arrangements have now been definitely decided upon to hold the annual business meeting and conference of the Wisconsin Association of Insurance Agents at the Hotel Schroeder, here Sept. 24. The partial relaxation of convention restrictions by the ODT will permit more extensive participation in the meeting than had been anticipated, according to Urban Krjer, executive secretary.

In addition to a program of timely topics by authorities in connection with current and immediate problems of the fire and casualty insurance business, the Wisconsin association will elect officers and act on a number of important amendments to its constitution.

Amendments include one to specify the membership as composed of resident agents licensed by the state. Written applications for membership and payment of a year's dues would be required for consideration by the executive committee; each member would be entitled to only one vote, and membership in the Wisconsin association would include National association membership.

The executive committee would be empowered to select the time and place of one regular annual meeting each year. With the establishing of a full-time office and an executive secretary, the office of elective secretary would be abolished for that of executive secretary who would not be a voting member of the executive committee; however, another member of the association would be named to the committee to continue its 11 members. The immediate past president becomes the chairman of the executive committee and would become the national director of the state association to serve on the national board of state directors. The appointment of the executive secretary and his specific duties and authority are provided in another amendment to the section previously devoted to the office of secretary.

Knudsen Slated as Minn. Association President

ST. PAUL—William Knudsen of Hibbing will be the next president of the Minnesota Association of Insurance Agents and George A. Thompson of Minneapolis will be the chairman of the executive committee if the slate proposed by the nominating committee is adopted without change.

The committee, headed by Armand W. Harris of St. Paul, met the past week and agreed upon these two officers and nine other members of the executive committee. The latter are Howard Williams, Mankato; George V. Fevig, Moorhead; Clifford E. Gesne, Benson; Jesse D. Bradley, Duluth; J. Vick Merrill, St. Paul; Francis McGovern, Rochester; C. R. Hewitt, Dorset; Edmund D. Swanberg, Worthington and J. M. Kudrna, Robbinsdale.

They will be voted on at the annual meeting here Sept. 5.

Because he is being called back to Washington before the agents' meeting, Congressman Walter Judd of Minneapolis will be unable to address the annual dinner of the association.

Nine Cincinnati Graduates

Nine Cincinnati insurance people graduated from the two-year education course sponsored by the Cincinnati Fire Underwriters Association in cooperation with the University of Cincinnati Eve-

ning College. Graduates include Miss Florence M. Streicher, Neare, Gibbs & Co.; Mrs. Ruby Craig, J. H. Leiding agency; C. E. Harkness, Harkness & Wirthwine agency; W. B. Borgel, THE NATIONAL UNDERWRITER; Alfred Porter, Perkins & Geoghegan; Raymond C. Betz, Thomas McEvilly & Associates; W. J. Bennett, Walter P. Dolle & Co.; Haven G. Everill, Cincinnati Gas & Electric, and Henry H. Rutledge, Rutledge & Moser agency.

NEWS BRIEFS

F. O. Crary, Hudson, Wis., one of the oldest active local agents in the state, has just observed his 86th birthday. He has been a resident of Hudson since 1878.

George P. Nevitt, head of the Nevitt agency, Oshkosh, Wis., has been appointed a member of the Oshkosh Foundation committee to fill the vacancy caused by the death of his father, Charles Nevitt.

Richard M. Audiss of the Audiss, Bass & Laabs agency, Oshkosh, Wis., recently discharged from the army after 32 months in the Pacific, was married to Miss Isabelle Ziege of Berlin, Wis.

J. Milton Stoner has opened a local agency in Cincinnati with office at 18 East Fourth street. He has been in the insurance business for 17 years, for the last six years as a solicitor of the Eureka Security Insurance Agencies.

L. C. McGee, Aetna Casualty, who addressed the first meeting of the St. Paul Association of Insurance Women, will be the speaker at the 10th anniversary meeting Thursday evening.

Harley Finley, Eagle Grove, Ia., has purchased the agency there of J. W. Robinson.

SOUTH

To Hold Tenn. Conventions Since Ban Is Relaxed

NASHVILLE—The executive committee of the Tennessee Association of Insurance Agents, scheduled to meet here Aug. 30 or 31, will probably favor holding an annual convention, following the lifting of O.D.T. restrictions on out-of-town attendance, according to Manager R. T. Cawthon. If voted, the convention would be held as soon as necessary arrangements can be made. The bank-agent auto finance plan and other important matters will be discussed at the meeting of the executive committee.

President Paul Gleeson of Knoxville is expected to issue a call for a directors' meeting at once to fix a date for the annual convention of the Tennessee Association of Mutual Insurance Agents. The constitution of the association requires an election of officers in September.

Program of Alabama Agents Convention Is Ready

The program of the Alabama Association of Insurance Agents annual convention in Birmingham Sept. 6 has been completed. The morning session will be for local agents only. President George H. Butler of Anniston will give the report of the administration, and Millard McGruder, Birmingham, secretary-treasurer, will give his report. Standing committees will report and the executive committee will make its recommendations. The agents will then consider a new constitution.

In the afternoon W. Loring Fergu-

son, New Orleans, member of the National association executive committee, will talk. President Maurice M. Walsh will bring greetings from the Birmingham association, and Cyrus H. Avery, New York Underwriters, president of the Alabama Field Men's Association, will speak for that group. Jesse C. Hearn, Roanoke, chairman of the executive committee, will respond to the greetings. The meeting will close with an association dinner dance in the evening.

The day before the executive committee will meet and there will be a past presidents' dinner to which all officers and directors are invited.

Dunford Touring Virginia

J. Earle Dunford, manager of the Virginia Association of Insurance Agents, visited agents in Norfolk last week and was at Winchester, Berryville and Strasburg this week. His special purpose in making these trips is to endeavor to familiarize the agents with the new group life plan and the plan for cooperation between agents and bankers in the financing of cars and writing insurance on them. This plan as well as the group life plan was adopted at the last annual meeting of the association. He also is seeking to become acquainted with agents whom he has not met since he became manager last March.

Snow Returns to General Agency

W. G. M. Snow, for 15 years with Bennett & Edwards, general agency at Kingsport, Tenn., has returned to the agency after 32 months service in the army. Part of Mr. Snow's service was in the South Pacific.

James E. Toohy, formerly in the insurance business at Bristol, Tenn., recently joined Bennett & Edwards, after returning from 30 months service in the army air forces, much of it in the Mediterranean theater.

Bowers Opens General Agency

W. H. Bowers, Jr., has organized the Bowers General Agency with headquarters at 511 Trust Company of Georgia building, Atlanta, representing Allegheny department of Birmingham Fire of Pittsburgh and Southern Fire of N. C., in Georgia. Mr. Bowers has been a field man in the southern states. He started with Fireman's Fund in Atlanta in 1924, entering the field in 1931.

NEWS BRIEFS

The Zork & Lutz agency, San Antonio, was presented a certificate from American Central by Kemp Dargan, on the 41st anniversary of the planting of the company in the agency, originally the Julius Oppenheimer agency.

The agency of W. Ira Forbes, Dustin, Okla., was sold to Mack Edwards, operator of the only other agency in the town.

EAST

Passaic Agents' Annual Meeting

PASSAIC, N. J.—The annual meeting of the Passaic Association of Insurance Agents will be held Sept. 13. E. H. Ellis has been appointed chairman of the nominating committee.

N. J. Membership Increasing

NEWARK—President Herbert L. Brooks of the New Jersey Association of Insurance Agents has appointed Edward F. Walton of Trenton as chairman of the nominating committee. No time or place has been fixed for the annual meeting. The membership has now reached 972 and it is expected that it will be 1,000 before the annual meeting.

COAST

Utah Agents' Slate, Program Announced

SALT LAKE CITY—The nominating committee of the Utah Association of Insurance Agents has filed its recommendations for officers, with 16 members placed in nomination. The secretary-treasurer will be named by the president to be chosen at the annual meeting at Ogden Aug. 27-28.

Those nominated are: President, Joseph A. Ottenheimer, Salt Lake City; vice-president, Lavon E. Payne and J. Edwin Stein, both of Provo; state national director, A. E. Burgener, Salt Lake and C. C. Eubank, Ogden; executive committee, Trace A. Turner, C. C. Gaskill, E. Hugh Ford, Frank Fowles, all of Ogden; Ralph D. Callister, Francis B. Goeltz, Sherman T. Hunter, Eugene D. Amott, O. E. Vombar, Jr., and Karl I. Pace, Salt Lake; N. C. Hicks, Seymour D. Hicks, Provo; Adrian Hatch, H. B. Johnson, Logan. Additional nominations for any of the offices may be made from the floor.

Convention Program

The program for the convention has now been completed. It will be called to order Monday morning by President William J. Blackburn. The bank-agent auto plan will be discussed by B. R. Broderick, First Security Corporation, who will talk on "The Bank View of Financed Accounts," and T. A. Swanson, manager of Time Finance Corporation, talking on "Finance vs. Insurance."

Carl C. Gaskill of Ogden will be toastmaster at the luncheon. Rev. Laird V. Loveland will be the guest speaker on "The American Way."

Monday afternoon the annual golf tournament will be held and that evening the annual barbecue. The ladies will hold a tea and card party in the afternoon.

Heavy Schedule Tuesday

On Tuesday morning business there will be the president's report, reports of Treasurer Arnold E. Burgener, the credentials committee by Sherman T. Hunter, auditing committee by Ralph D. Callister, resolutions by Francis B. Goeltz, and election of officers.

In the afternoon Commissioner Carlson will discuss "In the Public Interest"; Robert Peel, secretary-manager Intermountain Association of Credit Men, "Insurance in Relation to the Wholesale Credits"; Senator Ira Huggins, "The Legislator's View of the Insurance Situation in Utah"; W. P. Welsh, Pasadena, National association executive committeeman, "The National Association of Insurance Agents and Its Members"; W. M. Sidebotham, agency superintendent of the St. Paul group, "The Package Problem," and Francis C. Bromley, attorney and adjuster, Nichols Adjustment Bureau, Salt Lake City, "Claims Settlement Per Se." There will be a cocktail hour sponsored by company representatives, general agents and adjusters, followed by the annual dinner dance.

Two Courses Are Scheduled for Fall in Los Angeles

LOS ANGELES—The University of California's Los Angeles extension division is repeating its three months course in general insurance starting Sept. 11. The course is approved by the insurance commissioner in accordance with the act of legislature pre-

scribing such a course for those desiring to take the examination for insurance broker's licenses.

The class will meet each Tuesday and Thursday evening at 813 South Hill street, Los Angeles. Full university credits will be given those passing examinations.

Walter W. Bennett is in charge and will be assisted by special lecturers from the Casualty & Surety Fieldmen's Association of Southern California and the

Southern California Fire Underwriters Association.

A new review course covering general insurance principles and practices covering material in Parts I and II of the Chartered Property & Casualty Underwriter examinations will start Sept. 10. College credits will be given those who attain passing grades. Mr. Bennett is instructor.

Stevenson Pacific Board Manager in San Francisco

SAN FRANCISCO—R. C. Stevenson, since 1938 manager of the Idaho Surveying & Rating Bureau, has been appointed to the newly created position of manager of the San Francisco office of the Pacific Board. The change contemplates unification of the activities of the San Francisco office under the new manager by consolidation of District A (city of San Francisco) and District B (northern California, Nevada and Alaska).

Thomas McCaughern, who has been district secretary of District A, becomes district secretary of the enlarged district, with Frank Slaker as assistant district secretary. Loren Buch continues as chief engineer in charge of the engineering department.

Group Buys Building

SAN FRANCISCO—Clement J. Smith, president of American International Underwriters and chairman of American International Marine Agency and the general agency of Finn, Smith & Medcraft, has purchased the three-story building now occupied by American of Newark at 160 Sansome street. The building will be occupied by American International Underwriters and American International Marine Agency following the expiration of the present lease and some structural changes. Finn, Smith & Medcraft will remain at their present location at 454 Montgomery street.

Alverson to Knowles & Co.

SAN FRANCISCO—Peyton Y. Alverson, metropolitan manager of the Northern Assurance, has joined A. B. Knowles & Co. as agency superintendent for fire and inland marine. The Knowles general agency, U.S. marine agents for Utah Home, was recently appointed California general agent for fire lines. Mr. Alverson has been in the fire insurance business since 1919 and is widely known.

Two Get N.A.I.A. Certificates

PORTLAND, ORE.—Graduation certificates for the N.A.I.A. educational course were awarded to two students at the annual meeting of the Portland Association of Insurance Agents. Fred E. Jewett, local educational chairman and a member of the N.A.I.A. committee, presented the awards to Helen J. Asher, American-Associated companies, and Hazel E. Strom, Fireman's Fund.

Lee Buys Judd Agency

Virgil R. Lee has purchased the A. E. Judd agency of Chehalis, Wash., and has merged it with his agency. Mr. Lee completed a term as president of the Washington Association of Insurance Agents at the annual convention in Seattle this week. He is now serving as state national director.

Yakima Agents Elect

The Yakima (Wash.) Association of Insurance Agents has elected W. H. Glenn, First Loan & Investment Co., as president, succeeding C. E. Fraser; L. B. Andrews, vice-president, and Victor Multz, secretary.

Carter with Eugene Agency

Jack Carter, for 3½ years branch manager at Spokane of General of Seattle, has moved to Eugene, Ore., and has become associated with the Smith & Crakes agency.

Eye U. & O. Priorities Clause

NEW YORK—Reports from Washington that the war production board's famous L-41 order limiting the use of construction materials and specifying how they may be used will be rescinded by Sept. 30 and probably drastically modified even before it is abandoned have brought the question of dropping the priorities clause in use and occupancy insurance very much to the fore. It is scheduled for consideration by the Insurance Executive Association.

Dropping of all restrictions on construction is being strongly urged by those in that industry on the ground that with the war's end materials are or will rapidly become available, and that prompt revocation of L-41 will help the employment readjustment by quickly making places for construction workers.

Mendola Not to Appeal

Charles Mendola, who recently lost his suit to enjoin the New York department from enforcing the state licensing law, has decided not to appeal from the decision. According to his attorney, A. W. Arnold, it was felt that in view of the passage of public law 15 upholding state regulation and the recent reversal in the Ware countersignature case, which upheld Idaho's countersignature law after the federal district court had held it invalid no useful purpose would be served by appealing the case. Mr. Mendola represented American Farmers of Phoenix, Ariz., which is not licensed in New York. The judgment against him was entered Aug. 21 and he had 30 days to appeal.

Gulf of Dallas has withdrawn from New Jersey as part of its policy of concentrating its activities in the western states. It has been represented by S. A. Takacs, state agent, 910 Bergen avenue, Jersey City.

Chris D. Sheffe, United States manager of London assurance, is in Havana, Cuba for an indeterminate stay to appoint a representative to succeed the late J. C. Pagliery.

On a visit to Hartford Edward N. Scheiberling, national commander of the American Legion, was honored at a reception given by members of the Robert E. Collins Post, No. 131, at the home office of Aetna Life. The Collins post has headquarters in the Aetna home office, and its membership is composed of Aetna men.

George B. Jennings, 74, for many years Virginia state agent for Royal, who retired in 1940, died suddenly in a doctor's office at Clifton Forge.

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MARINE

War Risk Rates Cut to Cover Live Mine Peril Only

NEW YORK—Marine underwriters have put out a new schedule of war risk rates, following the end of the Japanese war, which make substantial reductions in areas previously threatened by the Japanese. The rates now reflect almost entirely the risk of hitting live mines, although there is still the possibility that a Jap submarine might refuse to join in the surrender and seek to do as much damage as it could before being sunk.

Cargo insurance men are hopeful that foreign trade will develop rapidly. Some feel that this country will be back in production with civilian goods for export much more quickly than has generally been believed possible. A tremendous trade with Russia is one of the developments that is looked for.

In the import field, the dominant importer continues to be Uncle Sam. Marine insurance men hope a big flow of imports will continue even after the government business diminishes. The former insistence on trying to do a big export business while putting up barriers against imports cannot be revived if foreign trade is to continue on a sound basis, they say.

Eppel Rejoins McGee & Co.

Louis W. Eppel, Rutherford, N. J., has rejoined the field force of Wm. H. McGee & Co., after two years' service as a captain in the army transport command, practically all the time on duty in the south Pacific. He resumes work in his former territory of New Jersey and eastern Pennsylvania. He is well known in boating circles as power editor of "Rudder" magazine.

Grand Nest Meets at Minneapolis

(CONTINUED FROM PAGE 1)

of George Blomgren. The invocation was given by Rev. Paul L. Wetzler. Commissioner Newell R. Johnson welcomed the delegates on behalf of the state and Mayor Hubert E. Humphrey for Minneapolis. The grand nest officers were introduced, as were Leonard Zell, most loyal gander of the Minnesota pond, and John E. Jackson, general convention chairman. A stag luncheon at noon honored George Wright, gosling No. 1 of the Wisconsin home nest.

P. M. Winchester, Fire Companies Adjustment Bureau, New York, is now grand supervisor; George E. Edmondson, general agent, Tampa, grand cus-

todian; E. J. Beauvais, Montreal Securities Corp., Montreal, grand guardian, and E. W. Trenbath, Norwich Union, Seattle, grand keeper. Expansion of the Blue Goose organi-



GEORGE E. EDMONDSON

zation wherever possible was recommended by Thomas G. Linnell, most loyal grand gander, in his report Wednesday. Ponds should be started in all territories capable of supporting



E. W. TRENBATH

them where the Blue Goose is not now represented, he said. New officers should study the subject and the grand nest officers in each of the five jurisdictions, with the help of their deputies, should visit the insurance centers which have no Blue Goose, he said. In most of these centers there is a nucleus of members belonging to other ponds who could start to build new ponds.

Mr. Linnell made several other recommendations, including inter-pond or regional meetings; quarterly or semi-an-



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nual news sheet, to be issued by the grand nest; learning of the ritual by officers of every pond; an amendment to the constitution to provide for mail election of grand nest officers or take action on other constitutional matters if unforeseen conditions make a grand nest meeting impossible; and more active interest in civic affairs of the community by ponds.

Membership of the Blue Goose at June 30 stood at 8,055, an all time high and a net gain of 353 for the year, according to Richard Kenzel, grand welder. During the year there were 94 deaths of members. In service two were killed in action and one died, out of a total of 968 known to have served in the present war. Among the 44 ponds Heart of America, Kansas City, won the membership cup with 48 new members. Runners-up were San Francisco with 41 and Georgia with 40 new members. The total new members joining the order was 542.

The Iowa and Indiana ponds are the only ones out in the open with candidates for grand keeper to succeed E. W. Trenbath of Seattle. Iowa is presenting James Bunten, Fire Association, Des Moines, and Indiana's candidate is Ray Hull, American States, Indianapolis. The election is set for Thursday. New York has been agreed on for the 1946 grand nest meeting.

Prepare for New Auto Law in Illinois

(CONTINUED FROM PAGE 12)

they can pass on the information to the assured. This leaflet can be handed to the assured. Then it also compiled a leaflet with cartoons which is intended to be kept by the assured in his pocket book or billfold so that he can have information at once as to what to do if an accident occurs.

Many insurance offices are undertaking to acquaint their policyholders and prospects with the features of the law. THE NATIONAL UNDERWRITER leaflets are sold in quantities. The state departments are seeking the aid of insurance men in getting the new act fully understood by the public. It is realized that the insurance producers can do more effective work of this kind than any other agency.

Immediately after Labor Day Illinois motorists will be instructed in the requirements of the new safety responsibility law through an intensive educational program to be carried on by three state departments.

Secretary of State Barrett, the department of public works and buildings and Insurance Director Parkinson, who are charged with administering the new law, will cooperate in launching the educational campaign.

The industry group has appointed a committee to cooperate with the state officials for this purpose.

It was the consensus of the companies that all wide-spread publicity such as radio, newspaper advertising and bill-

boards on behalf of individual companies and agents be withheld until after Oct. 8 when officials' educational campaign is well on its way. At a meeting of the industry committee held Monday at the Union League Club, it was pointed out that more effective advertising by individual companies and agents could be expected by following out the individual programs only after the authoritative educational program of the state officers had been presented to the public.

Mr. Parkinson has written to all companies advising of the formation of the industry committee and inviting their full support and cooperation in the program.

The members of the industry committee are: American Mutual Alliance, Chase M. Smith, Lumbermens Mutual Casualty; Association of Casualty & Surety Executives, Roy L. Davis; National Association of Independent Insurers, Henry S. Moser, Allstate; domestic mutual companies, A. E. Richardson, Illinois Agricultural Mutual; domestic stock companies, George W. Casey, Motor Vehicle Casualty; domestic and foreign reciprocals, Joseph H. Braun, Chicago Motor Club; foreign mutual companies, Bert P. Brown, Auto-Owners; and foreign stock companies, E. D. Loring, American Automobile.

Mr. Davis is chairman and Mr. Braun is secretary-treasurer of the committee.

Michigan Tax Law Upheld by Circuit Court Ruling

(CONTINUED FROM PAGE 3)

does not require the tax or rate of tax exacted from a foreign corporation as a condition of entry to be the same as that imposed on domestic corporations."

Judge Carr is believed to have expedited preparation of his opinion to make possible consideration of the anticipated appeal at the October term of the Michigan supreme court.

Porter Bonding Head of Ed. E. Moore Agency

Charles L. Gandy, president of Ed S. Moore, Inc., Birmingham, Ala., announces the election of L. W. Porter as vice-president of the agency. Mr. Porter will head the fidelity and surety department, and later will assume most of the supervisory work in connection with the casualty department.

Formerly with U. S. F. & G.

Practically all of Mr. Porter's business life has been devoted to the bonding business. He has had more than 30 years experience. During the last 10 years he has been superintendent of the fidelity and surety department in the Birmingham branch office of U.S.F.&G.

Mr. Gandy, Ed S. Moore and Ed H. Moore of the agency all have served both as secretary and president of the Alabama Association of Insurance Agents. Mr. Gandy, former president of

the National association, became head of the agency a few months ago.

Miss C. Bertha Rachofsky, vice-president of the National Association of Insurance Women, will be honored at a tea given by the officers and executive board of the Insurance Women of Denver Aug. 26.

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